4QFY2020
PRESENTATION TO ANALYSTS
26TH FEBRUARY 2021

Unaudited Consolidated Result for the

4th Quarter FY2020 Ended 31st December 2020

CONTENT OVERVIEW

FY2020 Highlights

01
FY2020 performance continue to improve

- Signs of recovery continued into 4QFY2020, with electricity demand contraction narrowing from -12.9% Q-o-Q during lockdown period to -1.1% Q-o-Q.
- Improvement in collection from Apr'20 to Dec'20 with better collection efficiency rate from 87.0% to 97.0% for the period.
- Our subsidiaries' (SESB and manufacturing business) performance momentum continues into 4QFY'20.

02
RP2 extension approved with favourable terms

- Amid uncertainties during 2020, the regulators have approved an extension of RP2, showing effectiveness of the IBR mechanism.
- RP2 extension base tariff remained at 39.45sen/kwh and WACC of 7.3%, indicating stable returns for the regulated business entities.
- Capex & Opex allowed are higher at RM7.3bil (RP2:RM6.6bil) and RM6.3bil (RP2: RM6.1bil) respectively compared to the annual average for RP2.
- Higher Allowance for Doubtful Debt (ADD) was also approved at RM200mil for FY2021 (FY2020: RM94.3mil).

03
TNB Power Generation Sdn Bhd (TPGSB) gaining traction

Tangible positives on the formation of TPGSB includes :

- 20% EBIT growth from improved plants availability.
- Equivalent Plant Availability Factor improved to 87.4% from 83.4% after the formation of TPGSB.
- 25% improvement in Productivity (RM/staff).

04
Rewarding shareholders' trust

- Dividend per share of 80 sen includes :
  - Interim - 22 sen
  - Final - 18 sen
  - Special - 40 sen
- Translate to a dividend yield of 7.7% (Share price : RM10.42, 31st Dec'20)

Focus Areas

Reimagining TNB's (RT) aspiration: To be the leading provider of sustainable energy solutions in Malaysia and internationally.

- Continue to pursue domestic & International target of 8.3GW RE generation capacity by 2025. For International business :
  - i. RACo management has been established and currently building up investment pipeline. RACo is expected to contribute 2GW of RE capacity by 2025.
  - ii. Finalising definitive JV agreements with Sunseap to explore RE business in Singapore & Vietnam.
- Post formation, TPGSB to focus on operational excellence, plant turnaround and assets & services expansion.

Sustainability Commitment

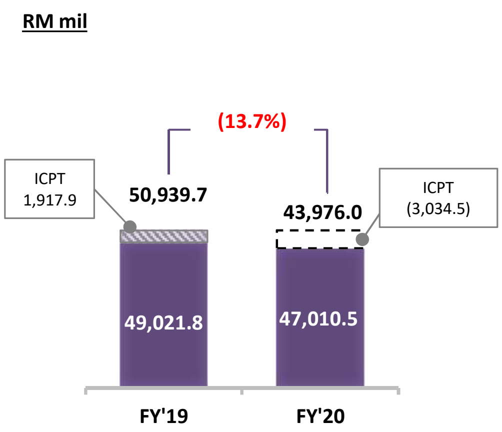
- TNB is the primary driver of the nation's Energy Transition, with a pivotal role in enabling sustainable energy ecosystem across the value chain particularly through RE generation portfolio and our investments in the Grid infrastructure.

Regulatory Period 3 (2022-2024)

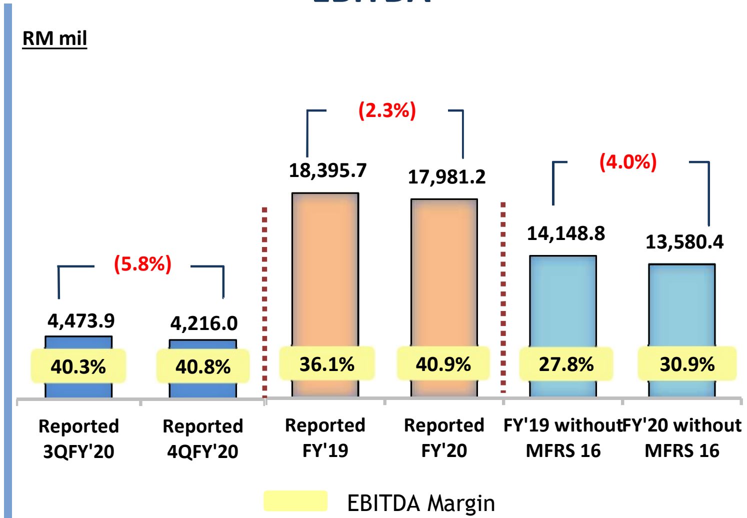
- Submitted RP3 proposal to the Energy Commission (EC) on 26th February 2021.

Our Revenue Cap entities insulated via IBR framework. However, Y-o-Y earnings remain impacted due to economic slowdown

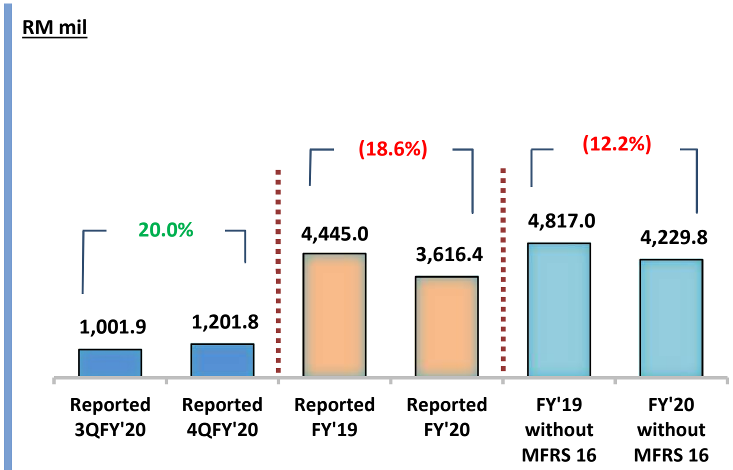
REVENUE



EBITDA



PROFIT AFTER TAX



- Revenue impacted by :
  - ICPT adjustment of RM3.0bil due to lower fuel prices as compared to RM1.9bil surcharge position in FY'19
  - Lower sales of electricity as unit sold decrease by 5.1% Y-o-Y at 117,003.6 GWh (123,252.0 GWh – FY'19), amounting to RM1.6bil
  - TNB's sales discount of RM250.0mil amid the pandemic

Reported EBITDA margin sustained at 40.9% due to lower operating expenses by 20.6% recorded in FY'20 as the Group adapts to the prevailing operational requirement during Covid-19 pandemic.

Reported PAT FY'20 includes:

- Negative MFRS16 impact of RM613.4mil
- Lower finance income of RM317.7mil
- TNB's sales discount of RM250.0mil out of RM2.7bil announced by the government. The balance was funded by the Government, therefore cushioning the impact on allowance for doubtful debt. For FY'20, we provided RM325.9mil.

Y-o-Y normalised EBITDA & PAT impacted in FY’20 mainly from the movement control order

EBITDA Components	FY'19 RM mil	FY'20 RM mil
Reported EBITDA	18,395.7	17,981.2
Impairment	334.0	51.6
TNB sales discount & contribution for Covid-19	-	273.0
MFRS16 impact	(4,246.9)	(4,400.8)
Normalised EBITDA	14,482.8	13,905.0 (1)

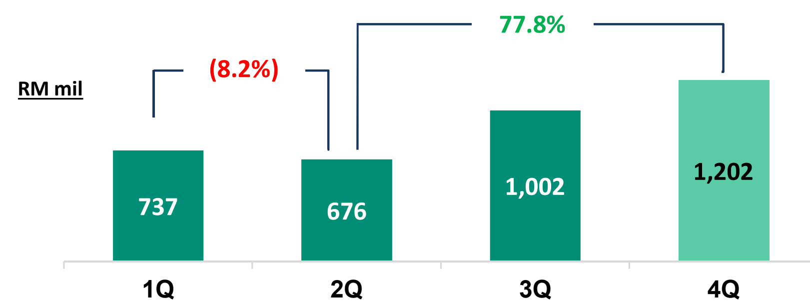
PAT Components	FY'19 RM mil	FY'20 RM mil
Reported PAT	4,445.0	3,616.4
Impairment	334.0	51.6
TNB sales discount & contribution for Covid-19	-	273.0
Forex Translation	(200.6)	(71.6)
MFRS16 impact	372.0	613.4 (2)
Normalised PAT	4,950.4	4,482.8 (1)

(1) **Lower Normalised EBITDA and PAT in FY’20 mainly due to:**

	RM mil
Allowance for doubtful debt (include approved ADD of RM94.3mil)	231.6
Retail revenue loss	54.2
Lower finance income	207.4
Lower contribution from generation business	319.8
Total	**813.0**

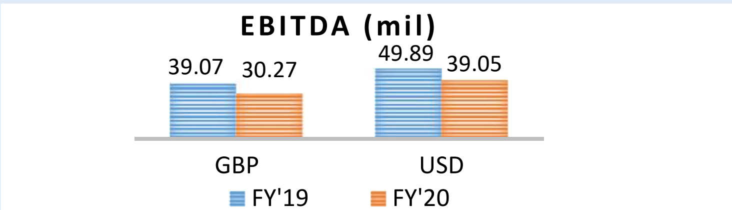
(2) MFRS 16 impact for FY’2020 includes deferred tax. Please refer Appendix 3 for details.

PAT recovery continued into 4QFY’20



Vortex Solar UK Limited

EM: 80%



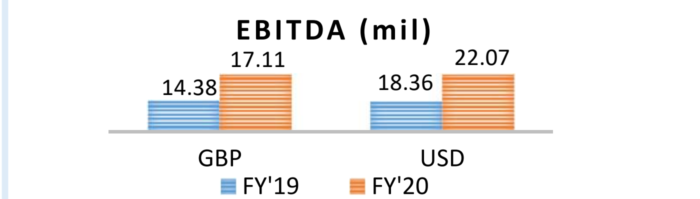
- Vortex's revenue is mainly insulated by subsidy scheme with some portion exposed to merchant spot prices. The latter have been significantly affected due to a large drop in electricity demand during the lockdown period
- Nevertheless, improved EBITDA margin of 2% YoY recorded against budget is supported by operational cost efficiency.
- Portfolio availability remains consistent at above 95% with higher generation YoY.
- A total of GBP2.92mil cash distribution was declared in FY'20, bringing the total cash distribution to GBP19.75mil.

Outlook for Vortex:

- Higher PPA prices has been successfully locked between Oct'20 to Mar'21, averaging at 5% higher than earlier market projection. This cushioned the downside impact of the seasonality factors.
- Power prices is expected to be trending upward once the UK resolves its negotiations on interconnection issues with EU.

Tenaga Wind Ventures (TWV)

EM: 76%



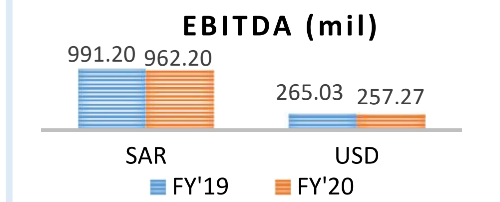
- EBITDA YoY has improved due to higher revenue contribution resulted from higher subsidy tariff.
- Lower operation expenditure by 5% against budget in Dec 2020 is due to cost savings in certain operations expenditure.
- Technical upgrade of the turbine control system resulted in higher efficiency in wind energy capture. Coupled with high wind availability taking advantage of the winter season, generation performance improved by 15%.
- Additional cash received of GBP11.65mil is in the distribution account, bringing the total cash distribution to GBP42.29mil.

Outlook for TWV:

- Wind generated energy remains competitive on the back of supportive regulatory framework. TWV revenue is insulated from low demand due to the FiT subsidy scheme and early lock-in PPA prices.
- TWV will continue to expand its portfolio to support the long term strategy of TNB's international business.

Shuaibah

EM: 80%



- Slight decrease of EBITDA YoY is due to unplanned outages resulting from boiler issues that was not budgeted for FY'20.
- Nevertheless, Shuaibah maintains solid financial performance with higher EBITDA margin against industry average by 32%.
- Accumulated cash distribution as at Dec 20 is c.USD38.59mil (120% of our cost of investment).

Outlook for Shuaibah:

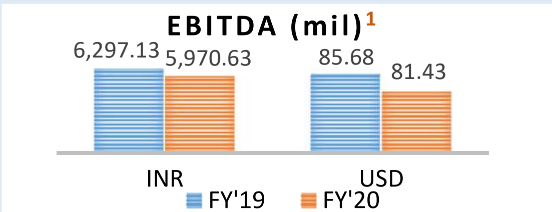
- Power demand in Saudi remains steady throughout FY'20. Evidently, Shuaibah's revenue remains strong due to the Power and Water Purchase Agreements (PWPA) driven by the consistent demand for water and electricity.
- Saudi's balance sheet remains robust despite being affected by the depressed crude prices and travel bans.
- Shuaibah's performance is expected to remain positive with a steady dividend distribution to shareholders.

Outlook for UK Renewable Energy (RE) Platforms:

- With UK being one of the first countries to rollout mass vaccination, demand is set to pickup in Q2 2021.
- In line with TNB's International Business Strategy, TNB will leverage on existing UK assets and market experience to build up a sizeable renewable energy portfolio through acquisition of operating assets and development of greenfield projects. Both RE assets will be structured under the Renewable Asset Co (RACo) platform with a higher capacity target through acquisitions of operational RE assets leveraging on existing assets, capabilities and experience. The formation of RACo is expected to be completed in Q2 2021. CEO of RACo UK has been appointed.
- During the Covid-19 lockdown, the utilities remained relevant as an essential service. In particular, RE remained resilient as its generation market share continued to grow despite falling energy demand. With a healthy pipeline in place, RACo is expected to contribute 2GW of RE capacity by 2025.

Note : EM : YTD EBITDA Margin

GMR Energy Limited (GEL) — EM: 34%

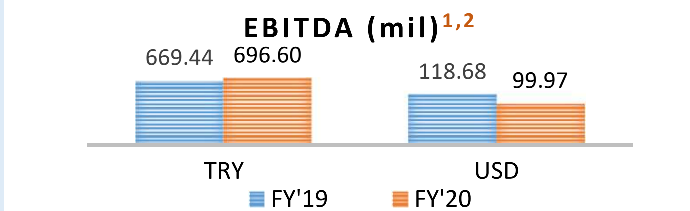


- Slightly lower EBITDA due to lower energy sales as demand has weakened during the lockdown.
- Although there was a slight improvement in merchant price towards the end of FY'20 following easing of lockdown measures, the merchant price was still lower than FY'19.

Outlook for GEL:

- India's economy is on strong recovery path as the estimated GDP for FY'21 has increased slightly from initial -10.5% to -9.4% following improvement in fixed investments, private consumptions, net exports, agriculture and manufacturing sector.
- However, DISCOMs (Distribution Company)'s liquidity stress persists. Amount dues from DISCOMs rose despite increasing liquidity infusion package from government. GEL's overdues remain high among private generators.

GAMA Enerji A.S. (GEAS) — EM: 24%



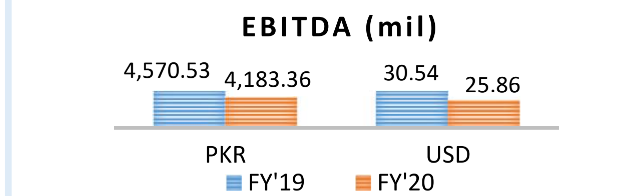
- GEAS has turned around operationally by sustaining high availability and reliability for all of its assets with minimal forced outage. GEAS's CCGT has been operating at full block capacity post turbine breakdown.
- Electricity demand has gradually recovered in 4QFY'20. This is mainly driven by the progressive lifting of Covid-19 economic lockdown and stable gas prices.
- Subsequently, this contributes to higher gross generation margin[3] and TRY EBITDA in FY'20. However, the TRY depreciated c.22% against USD in FY'20 resulting in a lower USD EBITDA than FY'19.

Outlook for GEAS:

- Electricity demand recovery is expected to sustain as the lifting of Covid-19 related economic restrictions progress and the industrial/manufacturing sector continues to see demand recovery for the domestic and export orders.
- The definitive agreement of GEAS's CCGT (ICAN) debt restructuring is currently being finalized and expected to be executed in 1QFY'21.

Notes :
EM : YTD EBITDA Margin
[1]Reported 3 months lagging
[2]Exclude impairment of TRY419.4mil (USD60.2mil) made at asset level in 1Q (driven by unfavorable economy condition i.e. low electricity market prices and high forex)
[3] Revenue minus Gas Cost only

TNB Liberty Power Limited (LPL) — EM: 28%

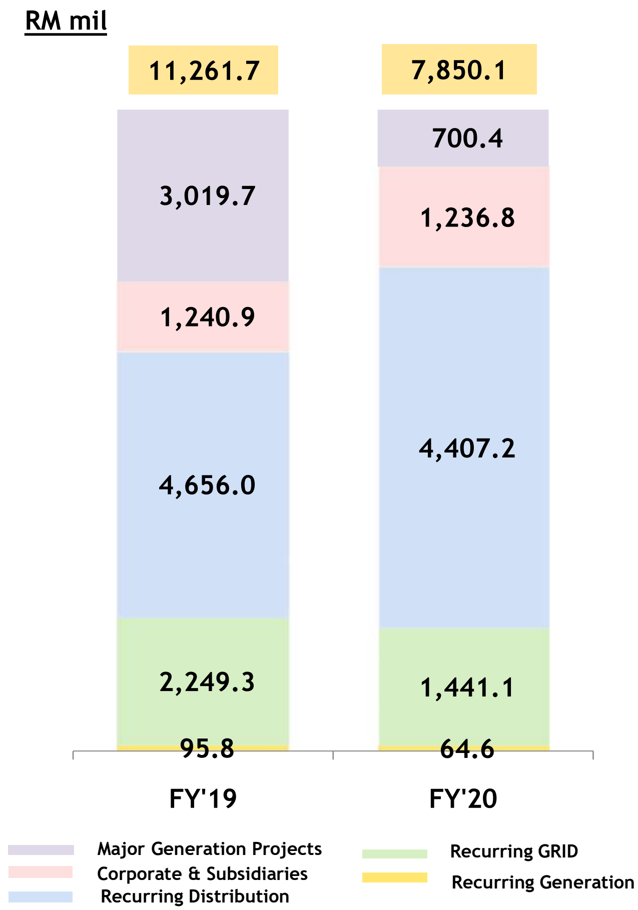


- Lower EBITDA YoY is mainly because of lower operating revenue and interest incurred on late payment for gas bills to gas supplier.

Outlook for Liberty:

- The Pakistan power market continues to experience structural issues. The plant's cashflows continue to be affected due to increasing outstanding receivables from the offtaker.
- In addition, LPL is dependent on the government for its gas supply as there is no valid GSA in place. LPL is in discussions with the government on the terms of the GSA.
- The Government of Pakistan has issued the draft PPA Amendment Agreement which include a revision of tariff and a mechanism to settle outstanding receivables from offtaker.
- In April 2020, LPL won its arbitration award on the disputed outstanding receivables. Following that, LPL has issued a demand letter in Nov 2020 in pursuit to fully recoup the outstanding receivables. LPL has not received a reply on the demand letter.
- As part of TNB's restructuring strategy including the divestment of LPL, TNB has signed a Share Sale Agreement on 27 Jan 2021 with AsiaPak, subject to satisfaction of conditions precedent which is expected to be fulfilled by mid June 2021. This exercise would allow TNB to monetize its investment in LPL and to redeploy capital to grow its renewable energy portfolio.

Southern Power Generation is successfully commissioned in January 2021, regulated CAPEX fully utilised



FY	RP2 REGULATED ENTITIES CAPEX		
	IBR Approved (RM mil)	Actual YTD (RM mil)	Utilization (%)
2018	6,263.7	6,680.0	
2019	6,188.1	7,097.6	
2020	6,391.4	5,907.2	
TOTAL	18,843.2	1 19,684.8	104%

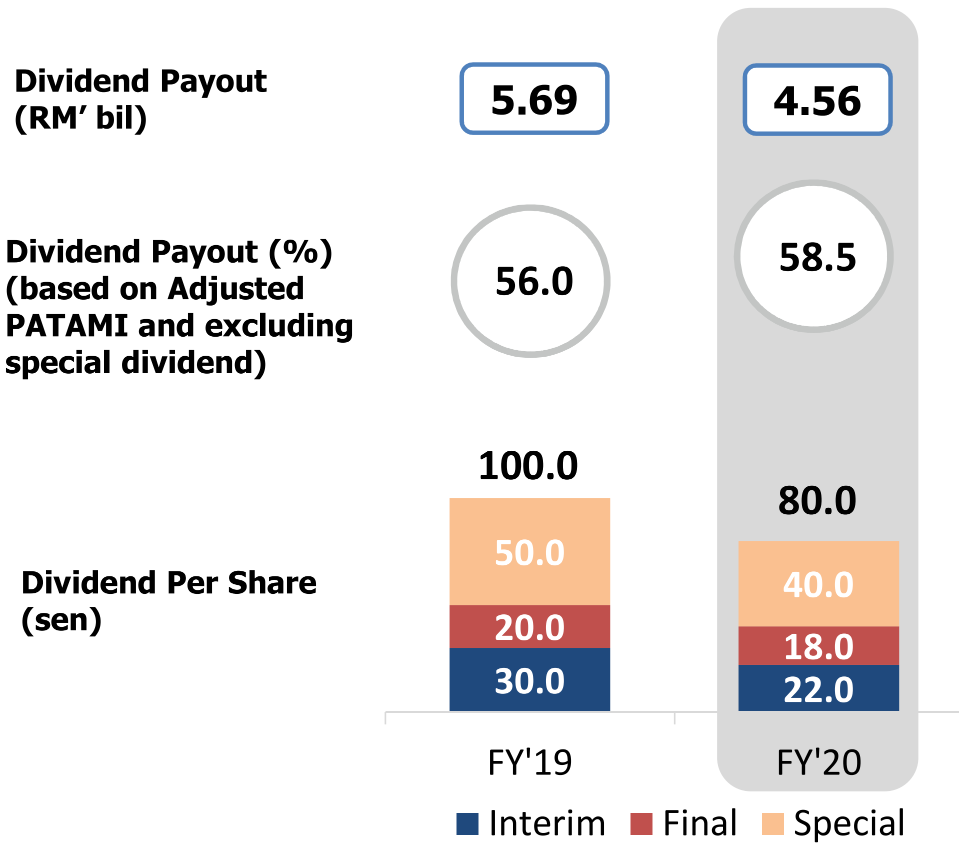
1 Additional CAPEX spent has been approved by Energy Commission to be included in opening regulated asset base for RP2 extension

Major Generation Projects Physical progress

COMPLETED
Southern Power Generation (Gas)
1,440MW
Commissioned on
U1 - **1st Jan'21**
U2 - **19th Feb'21**

COMPLETED
TNB Bukit Selambau (Solar)
30MW
Commissioned on
8th Sept'20

Rewarding shareholders with a special dividend of 40.0 sen per share in addition to a final dividend of 18.0 sen per share



DIVIDEND POLICY

Distribution of dividend is based on **30% to 60%** dividend payout ratio, based on the reported Consolidated Net Profit Attributable to Shareholders After Minority Interest, excluding Extraordinary, Non-Recurring items.

KEY HIGHLIGHTS > DIVIDEND YIELD

List of top 30 KLCI companies by dividend yield

TNB ranks 1st for 2019 and 2020 among top 30 KLCI companies in dividend yield due to proactive balance sheet management

No.	Company	2016	2017	2018	2019	2020
1	TNB	2.3%	4.0%	3.9%	7.5%	7.7%
2	Petronas Gas	2.9%	3.8%	3.8%	4.9%	7.4% *
3	MISC Bhd	4.1%	4.0%	4.5%	4.0%	4.8% *
4	Digi	4.3%	3.7%	4.4%	4.1%	3.8% *
5	Hap Seng Consolidation	4.0%	3.7%	3.6%	3.5%	2.9% *
6	Maxis	3.3%	3.3%	3.7%	3.8%	2.4%
7	Genting Malaysia	2.1%	1.8%	3.1%	6.1%	2.2%
8	Kuala Lumpur Kepong	2.1%	2.0%	1.8%	2.0%	2.1% *
9	Hong Leong Financial Group	2.7%	2.1%	2.2%	2.5%	2.1% *
10	Hong Leong Bank	3.0%	2.6%	2.4%	2.9%	2.0% *
11	Top Glove	2.7%	1.8%	1.5%	1.6%	1.9% *
12	Sime Darby Plantation	N/A	N/A	3.7%	0.2%	1.9% *
13	RHB Bank	2.5%	3.0%	3.9%	5.4%	1.8%
14	IOI Corp	1.8%	2.1%	4.6%	1.7%	1.8% *
15	Petronas Dagangan	2.9%	4.0%	2.6%	3.7%	1.8% *
16	Nestle	3.5%	2.7%	1.9%	1.9%	1.7% *
17	Petronas Chemical	2.7%	3.5%	3.4%	2.4%	1.6% *
18	Maybank	6.3%	5.6%	6.0%	7.4%	1.6%
19	Genting Bhd	1.6%	2.3%	3.5%	3.6%	1.5%
20	Telekom Malaysia	3.6%	3.4%	0.8%	2.6%	1.3%
21	Dialog Group	1.4%	1.1%	1.0%	1.1%	0.9% *
22	Hartalega	1.9%	0.8%	1.3%	1.5%	0.6% *
23	Axiata	1.7%	1.5%	2.4%	2.3%	0.5%
24	Mr. DIY	N/A	N/A	N/A	N/A	0.5% *
25	PPB Group	1.6%	1.7%	1.6%	1.6%	0.4%
26	Press Metal	2.9%	1.1%	1.3%	1.1%	0.4%
27	CIMB	4.4%	3.8%	4.4%	5.0%	0.0%
28	Public Bank	2.9%	2.9%	2.8%	3.8%	0.0%
29	Supermax	1.9%	2.7%	2.3%	1.1%	0.0%
30	IHH	0.5%	0.5%	0.6%	0.7%	0.0%

Sources: Bloomberg, Bursa Malaysia & Companies Annual Report * *Full year dividend declared as of 23rd Feb'21* *Highest dividend yield for the year based on financial year end closing share price*

CONTENT OVERVIEW

STRATEGY > SUSTAINABILITY

Electricity industry continues to evolve, creating new opportunities and pushing the boundaries for innovation

Inevitable Changes in Industry Landscape

Global Energy Transition

- Climate change drives greater decarbonisation efforts and increased RE

Emergence of Disruptive Technologies

- Disruptive technologies are starting to reach economic viability and mass adoption across the world

Changing Customers' Expectations

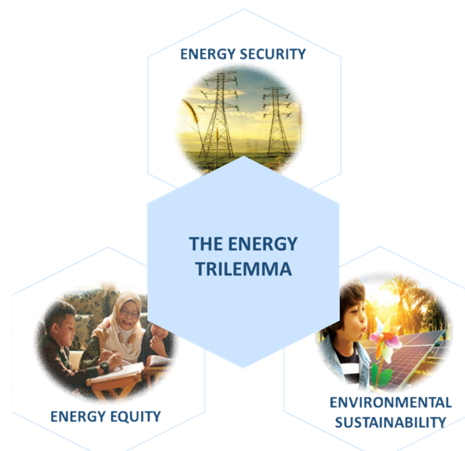
- Customers expectations are being shaped by innovative product and across the value chain solution

National Commitments

COP21 commitment is to reduce GHG emissions intensity by 45% by 2030 relative to 2005 consisting of 35% on unconditional basis & 10% conditional with international assistance

Malaysia target to achieve 31% RE capacity mix by 2025

As a developing nation, it is important to implement strategies and action plans that achieve economic aspirations through a model that is sustainable, responsible, yet economical



As the primary driver of the nation's Energy Transition, TNB has a pivotal role in spearheading an evolving industry

TO BE A
LEADING PROVIDER OF
SUSTAINABLE ENERGY SOLUTIONS IN MALAYSIA AND INTERNATIONALLY

Future Generation Sources
2025 EBIT Target : RM5.0bil

Main Initiatives:
- Operational excellence, plant turnaround, assets and services expansion
- Growing capacity mainly into renewables in domestic and selected international strategic markets with strong growth prospects

2021 Focus:
- Improve performances of existing assets
- Operationalisation of RACo & ReDevCo
- Explore SEA for RE expansion

Grid of the Future
2025 EBIT Target: RM6.1bil

Main Initiatives:
- Upgrading existing grid network into a smart, automated and digitally-enabled network to enhance productivity, efficiency and reliability
- Leveraging innovation in the network to transform customer experience

2021 Focus:
- Complete Smart Meter target installations
- RAB Expansion through utilization of allowed CAPEX on Grid modernization Project
- Reduce System Losses

Winning the Customer
2025 EBIT Target: RM0.7bil

Main Initiatives:
- Enhance customers' experience through innovation of new solutions and service offerings
- Strengthen digital presence via digital solutions, interactions and enterprise

2021 Focus:
- Enhance customer service by ensuring customers experience a seamless interaction with TNB from the start to the end through Network of Teams models
- Expansion of rooftop solar PV

Future Proof Regulation

Main Initiatives:
- Working together with key stakeholders towards a stable and sustainable regulatory landscape

2021 Focus:
- RP3 Proposal Approval
- Shape TNB sustainability agenda

Capital allocation and value creation

Corporate and organization structure

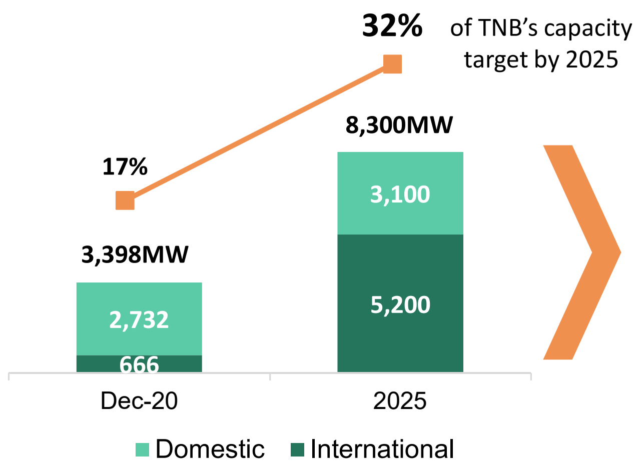
Digital and data analytics

Culture, capabilities and performance management

The increasing emphasis on Sustainable Energy sets the tone for ambitious RE targets

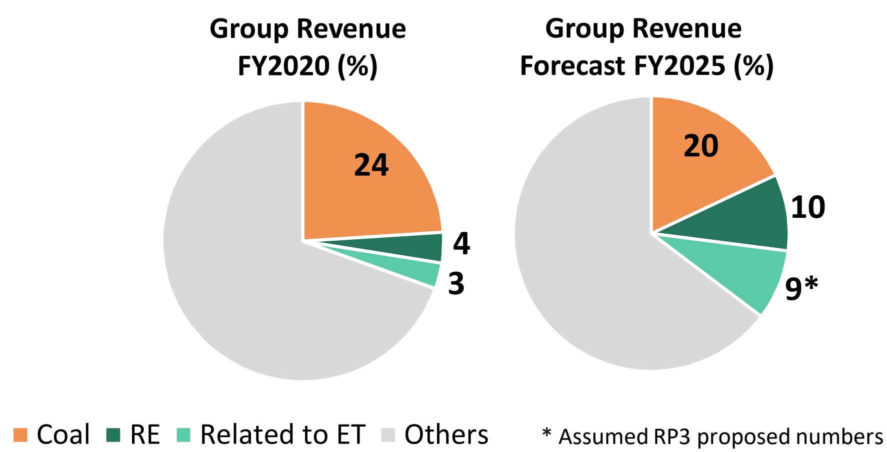
TNB RE Target of 8,300MW by 2025

Note:
8,300MW includes domestic and international RE assets, including large hydro



	Progress
Domestic	i. Currently in discussion with EC on the terms and condition for Nenggiri large hydro plant (300MW) ii. GSPARX - Total 81 MW (secured capacity) as at February 2021 iii. LSS4 is under EC evaluation
International	**Ambition 1**: RACo is currently building up investment pipeline leveraging on wide business network. RACo is expected to contribute 2GW of RE capacity by 2025. • Binding Offer has been accepted by the seller for the acquisition of FiT wind asset in UK. • Solar asset acquisition in the pipeline. **Ambition 2**: Finalising definitive JV agreements with Sunseap to explore RE business in Singapore & Vietnam. • Secure cross border RE sales to Singapore - Signed binding Collaboration Agreement in Sep'20. • Expand into solar market in Vietnam – Rooftop solar project in the pipeline.

The Group aspires to ensure that the revenue from the coal generation plants does not exceed 25%



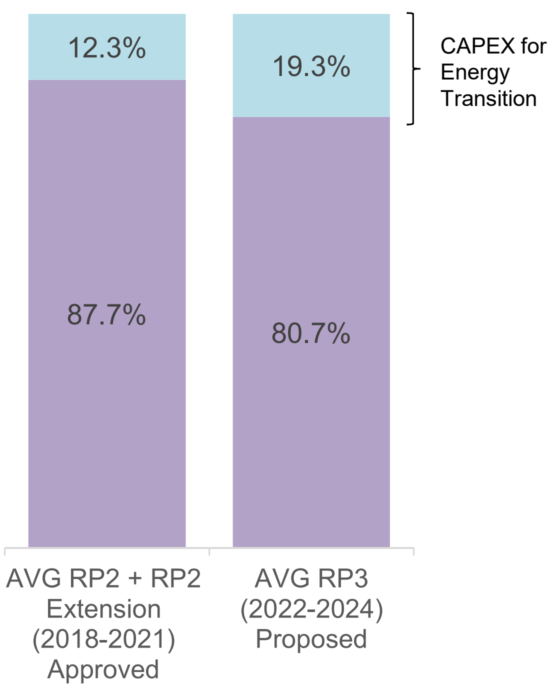
* Assumed RP3 proposed numbers

- The major coal plants' PPA are expiring with no like-to-like replacement, therefore our coal related revenue will continue to deplete from 2030 onwards
- TNB has pledged not to invest in greenfield coal plant (Jimah East Power which was commissioned in 2019 is the last new coal plant for TNB)

Investment in infrastructure for regulated business is key towards catalysing a sustainable energy ecosystem…Distribution Network (DN) plays central role in infrastructure development

Regulated businesses spends on average ~16% of its CAPEX towards supporting Energy Transition

Annual Regulated CAPEX to support Energy Transition



DN is the largest contributor to the Group's overall EBIT target by 2025 of RM3.4 bil

Renewable Energy (RE) Integration

- **Accommodate intermittent RE generation, EV, Distributed Energy Resource (DER)** with target of reducing CO_2 emission by up to 50mil kg CO_2
- **Enabling EV charging Station for electric vehicles up to** 500 stations nation wide

Mini hydro | **Battery Energy Storage Systems (BESS)** | **Electric Vehicle**

Smart & Resilient Grid

- **Grid modernization with Smart Meters** to empower consumers to rationalize and control their consumption as well as enable prosumers to sell back to the Grid
- **System to optimise voltage flows** to facilitate energy conservation as well as deliver resilient, reliable quality power with bidirectional energy flow

Advanced Metering Infra (AMI) | **Advanced Distribution Management System (ADMS)** | **Volt-Voltage Optimisation (VVO)**

Energy Efficiency & Sustainability

- Enabling Green Energy program participation to **reduce electricity cost consumption**
- Providing dynamic supply and energy platform to utilize DER and support introduction of **Green Energy Programs** (NEM, FIT, ToU)

Advanced Metering Infra (AMI) | **Smart Energy Management Infra (SEMI)** | **LED Relamping (LED)**

DN will play an important central role in Malaysia's future electricity sector ecosystem, from a traditional electricity service provider to an energy integrator and facilitator of open markets

In addition, TNB is empowering customer participation in the Energy Transition and paving the way for electrification efforts

Encouraging voluntary RE programs for customers

GSPARX (Evolve • Sustain • Value)

- Facilitates the implementation of the Net Energy Metering (NEM) scheme and the Supply Agreement for Renewable Energy (SARE)
- Rooftop PV: Total 81 MW (secured capacity) as at February 2021

mGats

- Meets Carbon Disclosure Project (CDP) standard and RE100 best practice guideline
- We have sold 483,400MWh of renewable energy certificates (RECs) out of 802,571MWh tradable units as of January 2021

myGreen+

- Able to purchase green energy without having to install their own solar rooftop
- Total Subscription 4,379,800 kWh with a total of 148 customers as at 19th February 2021

Promoting Energy Efficiency (EE)

maevi

- EE solutions such as smart home energy monitoring and security solution

District Cooling

- TNB Engineering Corporation Sdn Bhd (TNEC) will be operating latest district cooling technology with higher efficiency in supplying cooling energy and electricity to KLIA's Main Terminal and its associated facilities

Electric charging stations & Electric Buses

Electric charging stations

- Working with Malaysian Green Technology Corporation (MGTC) to expand electric vehicle charging stations. As at January 2021, 73 ChargEV stations had been installed.

Electric Buses

- 2 electric buses have been introduced at UNITEN as part of the Smart Mobility initiative

TNB continues its Nation-Building legacy through Corporate Responsibility pillars anchored on empowering communities for a better, brighter Malaysia

Education

We believe that education can transform lives of not just one individual but families and generations.

RM107.7mil

- My Brighter Future
- Yayasan Tenaga Nasional
- Trust School
- Ceria Ke Sekolah
- Better Brighter Vision

Community & Social

We believe that capability, social, and community development supports liveability and enhances livelihood by uplifting the economic and social quality of life.

RM58.7mil

- Covid-19 Response Aid (MOH & State Gov.)
- Baiti Jannati
- Hockey Sponsorship
- Mesra Rakyat
- Better Brighter Shelter
- TNB Reskilling Malaysia initiative
- Training & Development

Environment

We believe that the future of our planet and next generation depends on our responsible behaviour today

RM2.2mil

- Firefly Conservation
- Mangrove Planting Programme

Note: Unaudited FY2020 figures

TNB upholds the highest standards of corporate governance embedded in a culture that values ethical behaviour, integrity and sustainability

TNB Corporate Governance Framework

- Main Market Listing Requirements of Bursa Malaysia Securities Berhad
- Malaysian Code on Corporate Governance 2017
- Companies Act 2016
- Capital Markets and Services Act 2007
- Benchmark against the ASEAN Corporate Governance Scorecard

Remuneration

- The Board reviews the overall remuneration policy of the Non-Executive Directors, Executive Director and Top Management.
- The remuneration policy aims to attract, retain and motivate executives and Directors who will create sustainable value and returns for the Company's shareholders and other stakeholders.

Board Diversity

- TNB strongly supports diversity within its Board of Directors, including gender, age, professional diversity as well as diversity of thought i.e. TNB Board composition comprises various backgrounds from finance & accounting, legal, engineering and others.
- More than half of the Board comprises Independent Directors.

TNB Sustainability Reporting Framework

- Bursa Malaysia's Sustainability Reporting Guidelines
- Global Reporting Initiative (GRI) standards
- United Nations Sustainable Development Goals (UN SDGs)
- Task Force on Climate–related Financial Disclosures (preliminary stage)
- Sustainability Accounting Standards Board (SASB)*
- FTSE4Good*

CONTENT OVERVIEW

Lower sales of electricity compensated through regulatory adjustment, while non-regulated business impacted by Covid-19 pandemic

UNITS SOLD	4QFY'20 GWh	3QFY'20 GWh	Variance (4QFY'20 vs 3QFY'20) GWh	Variance (4QFY'20 vs 3QFY'20) %	FY'20 GWh	FY'19 GWh	Variance (FY'20 vs FY'19) GWh	Variance (FY'20 vs FY'19) %
Sales of Electricity (GWh)								
- TNB	28,455.4	28,747.9	(292.5)	(1.0)	110,739.0	116,525.4	(5,786.4)	(5.0)
- SESB	1,322.0	1,364.9	(42.9)	(3.1)	5,280.9	5,576.0	(295.1)	(5.3)
- EGAT (Export)	0.2	0.3	(0.1)	(33.3)	2.6	0.3	2.3	>100.0
- LPL	152.1	331.7	(179.6)	(54.1)	826.4	1,070.8	(244.4)	(22.8)
- TNBI (UK Wind)	24.7	18.1	6.6	36.5	91.8	79.5	12.3	15.5
- TNBI (Vortex)	31.4	31.5	(0.1)	(0.3)	62.9	-	62.9	-
Total Units Sold (GWh)	**29,985.8**	**30,494.4**	**(508.6)**	**(1.7)**	**117,003.6**	**123,252.0**	**(6,248.4)**	**(5.1)**

REVENUE	4QFY'20 RM mil	4QFY'20 Sen/KWh	3QFY'20 RM mil	3QFY'20 Sen/KWh	Variance (4QFY'20 vs 3QFY'20) (RM mil)	Variance (4QFY'20 vs 3QFY'20) Sen/KWh	FY'20 RM mil	FY'20 Sen/KWh	FY'19 RM mil	FY'19 Sen/KWh	Variance (FY'20 vs FY'19) (RM mil)	Variance (FY'20 vs FY'19) Sen/KWh
Sales of Electricity (RM)												
- TNB	11,410.3	40.00	11,311.3	39.93	99.0	0.9	44,435.4	40.07	46,486.9	39.89	(2,051.5)	(4.4)
- Sales Discount	(369.2)		(603.8)		234.6	(38.9)	(2,685.6)		-		(2,685.6)	-
- SESB	445.3	33.47	467.0	33.85	(21.7)	(4.6)	1,828.3	34.35	1,910.7	34.27	(82.4)	(4.3)
- Sales Discount	(6.5)		(19.4)		12.9	(66.5)	(66.9)		-		(66.9)	-
- Accrued Revenue	(31.4)		171.6		(203.0)	>(100.0)	(75.7)		(21.5)		(54.2)	>100.0
- EGAT (Export)	0.1	-	0.1	-	-	-	0.9	-	0.1	-	0.8	>100.0
- LPL	35.4	23.27	142.1	42.84	(106.7)	(75.1)	340.0	41.14	516.8	48.26	(176.8)	(34.2)
- TNBI (UK Wind)	32.4	131.17	23.8	131.49	8.6	36.1	120.7	131.48	103.3	129.94	17.4	16.8
- TNBI (Vortex)	21.8	69.43	17.8	56.51	4.0	22.5	39.6	62.96	-	-	39.6	-
Sales of Electricity	**11,538.2**	**38.48**	**11,510.5**	**37.75**	**27.7**	**0.2**	**43,936.7**	**37.55**	**48,996.3**	**39.75**	**(5,059.6)**	**(10.3)**
Imbalance Cost Pass-Through	(1,555.3)		(956.8)		(598.5)	62.6	(3,034.5)		1,917.9		(4,952.4)	>(100.0)
Other Regulatory Adjustment	(373.9)		(217.4)		(156.5)	72.0	(621.0)		(1,364.1)		743.1	(54.5)
Relief Package from Government	375.7		498.2		(122.5)	(24.6)	2,502.5		-		2,502.5	-
SESB Tariff Support Subsidy	83.0		87.9		(4.9)	(5.6)	367.9		362.9		5.0	1.4
Others	51.7		-		51.7	-	51.7		(0.8)		52.5	>(100.0)
Total Sales of Electricity	**10,119.4**		**10,922.4**		**(803.0)**	**(7.4)**	**43,203.3**		**49,912.2**		**(6,708.9)**	**(13.4)**
Goods & Services	125.7		97.1		28.6	29.5	440.4		694.6		(254.2)	(36.6)
Construction contracts	14.8		11.4		3.4	29.8	49.3		61.4		(12.1)	(19.7)
Customers' Contribution	64.4		75.5		(11.1)	(14.7)	283.0		271.5		11.5	4.2
Total Revenue	**10,324.3**		**11,106.4**		**(782.1)**	**(7.0)**	**43,976.0**		**50,939.7**		**(6,963.7)**	**(13.7)**

1 Lower 4Q vs 3Q and Y-o-Y unit sold & revenue due to lower demand in Industrial and Commercial sectors resulted from economic slowdown

2 Lower Y-o-Y unit sold & revenue due to :
- shortage of gas supply and forced outages in Q1 and less demand from dispatch centre in Mar'20 (13 days) and Apr'20 (8 days)
- disconnection of gas supply starting 22nd Nov to end Dec'20 due to diversion of gas supply during winter month

3 Better performance mainly due to technical upgrade of the turbine control system and high wind availability

4 Sales discount as announced by the Government

Government	RM2,502.5mil
TNB	RM250.0mil
Total	**RM2,752.5mil**

5 Over-recovery in FY'20 due to lower coal and gas price (Refer Y-o-Y Fuel Cost slide)

6 Refer Other Regulatory Adjustment slide

7 Lower Y-o-Y due to lower contribution from subsidiaries resulted from economic slowdown

As at FY'20, RM621.0mil of other regulatory adjustment to be returned mainly due to higher average selling price from price cap entity

Components of Other Regulatory Adjustment	1QFY'20 (RM mil)	2QFY'20 (RM mil)	3QFY'20 (RM mil)	4QFY'20 (RM mil)	YTD FY'20 (RM mil)
Revenue Adjustment for Revenue Cap & Price Cap	(99.9)	209.0	(109.9)	(95.9)	1 (96.7)
Refund of Excess Single Buyer Working Capital	(18.9)	(18.7)	(19.0)	(18.8)	(75.4)
Refund of Interests on Customer Deposits	(16.0)	(16.1)	(16.0)	(16.1)	(64.2)
Refund of Other Income Related to Regulated Business	(30.9)	(38.2)	(72.5)	(243.1)	2 (384.7)
TOTAL	(165.7)	136.0	(217.4)	(373.9)	(621.0)

1

Revenue Adjustment for Revenue Cap & Price Cap :
- Revenue cap entity – RM594.3mil
- Price cap entity – (RM691.0mil)

Refer next slide for details

2

Agreed mechanism of other income calculation. Refund of Other Income Related to Regulated Business includes FY'18 and FY'19 amount :
- 3QFY'20 - RM29.1mil
- 4QFY'20 - RM120.1mil

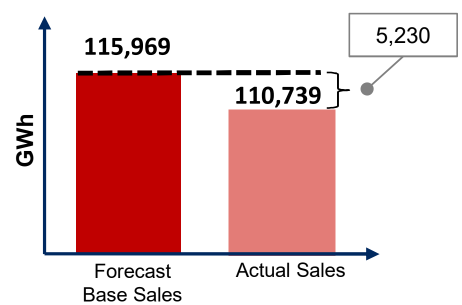
FINANCIAL DETAILS **REVENUE ADJUSTMENT FOR REVENUE CAP & PRICE CAP**

Regulated business entities supported by an effective IBR framework

Revenue Cap (Transmission, Dist. Net, GSO & SBO)

- The allowed annual revenue for revenue cap entities is based on 1.8-2% demand growth. Any shortfall is recovered through revenue adjustment mechanism.
- For FY'20, lower actual sales leads to lower revenue earned by the revenue cap entities.

FY'20 Variations in Sales
(in GWh)

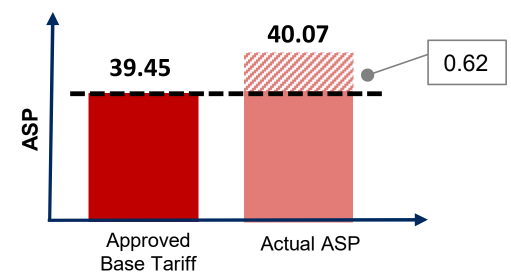


Business Entities	Allowed Tariff (sen/kWh)	Variations in Sales (GWh)	Adjustment (RM mil)
Revenue Cap Entities	11.36	5,230	594.3 *

Price Cap (Customer Service/Retail)

- Any excess revenue earned due to higher Average Selling Price (ASP) compared to Base Tariff must be passed-through to the customers via cost and revenue adjustment mechanism.
- For FY'20, the ASP is recorded higher than the Base Tariff.

FY'20 Variations in ASP
(sen/kWh)

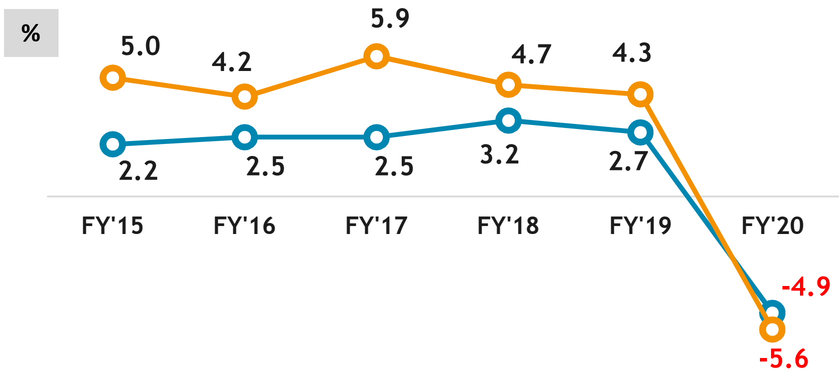


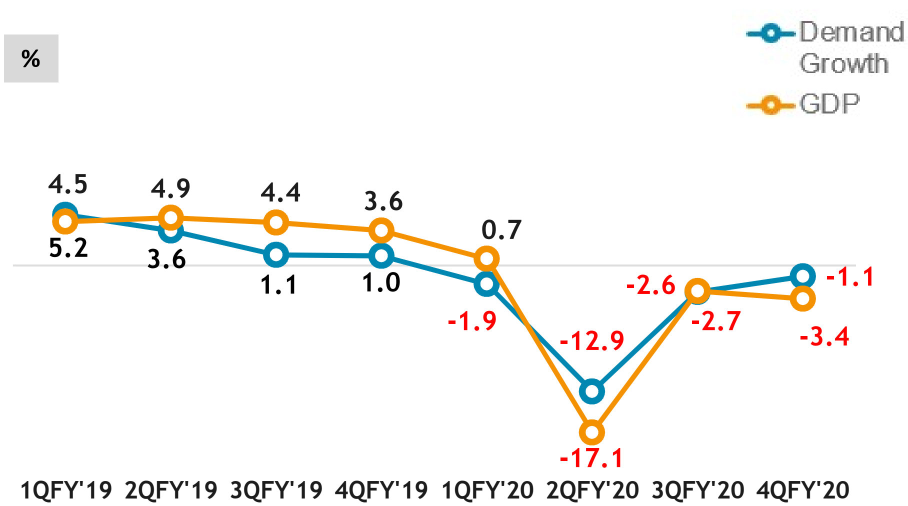
Business Entities	Actual Sales (GWh)	Variations in ASP (sen/kWh)	Adjustment (RM mil)
Price Cap Entity	110,739	0.62	(691.0)*

** Numbers manually computed will not match due to decimal variance*

Y-o-Y electricity demand contracted in tandem with GDP

GDP & TNB (Peninsula) Demand Growth

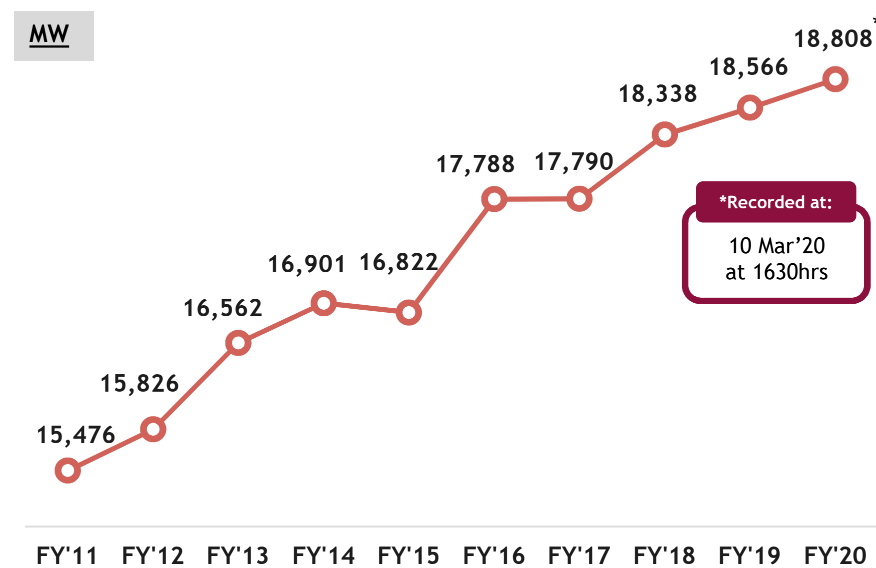




TNB (Peninsula) Maximum Demand

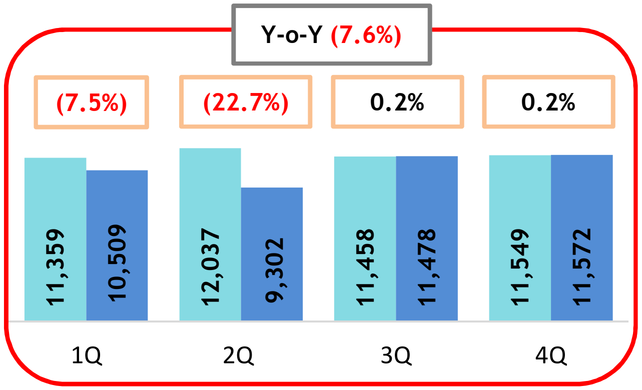
	4QFY'20	4QFY'19	Variance (%)
Maximum Demand (GWh)	18,037	17,680	2.0

TNB (Peninsula) Yearly Peak Demand



Lower electricity demand mainly from sluggish industrial and commercial sectors

Industrial



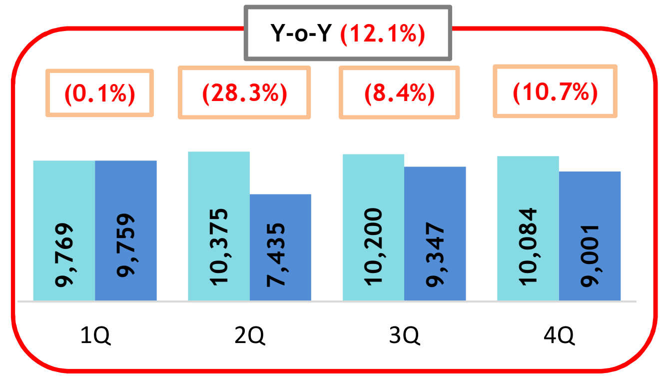
4Q main contributors for the drop

Industrial:
- **Iron and steel**
- **Cement products**
- **Edible oil products**

Commercial:
- **Retails**
- **Educational**
- **Accommodation**

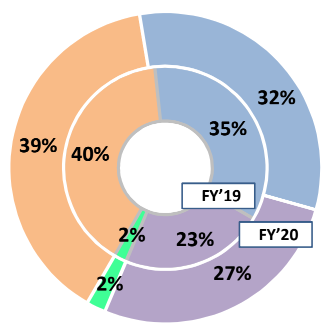
Unit Sales (GWh)	Growth
2019	Y-o-Y
2020	Q-o-Q

Commercial



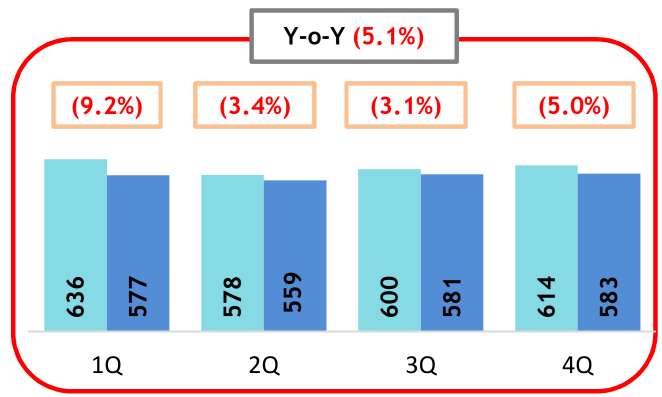
Domestic

Sector Mix (%) FY'20 vs FY'19



Others*

includes Agriculture, Mining & Public Lighting



The IBR framework and lower non-generation cost cushioned the impact on EBITDA

	4QFY'20 (RM mil)	3QFY'20 (RM mil)	Variance (4QFY'20 vs 3QFY'20)		FY'20 (RM mil)	FY'19 (RM mil)	Variance (FY'20 vs FY'19)	
			RM mil	%			RM mil	%
Non-TNB IPPs Costs	1,877.8	2,038.9	(161.1)	(7.9)	8,271.3	13,564.6	(5,293.3)	(39.0)
Capacity Payment	33.6	27.9	5.7	20.4	91.9	260.8	(168.9)	(64.8)
Energy Payment	1,844.2	2,011.0	(166.8)	(8.3)	8,179.4	13,303.8	(5,124.4)	(38.5)
TNB Fuel Costs	1,868.1	2,365.6	(497.5)	(21.0)	9,313.8	10,577.8	(1,264.0)	(11.9)
Fuel Costs	2,035.7	2,528.7	(493.0)	(19.5)	9,881.6	11,725.8	(1,844.2)	(15.7)
Fuel Price Adjustment	(107.4)	(116.2)	8.8	(7.6)	(367.2)	(877.9)	510.7	(58.2)
Fuel Subsidy - SESB	(60.2)	(46.9)	(13.3)	28.4	(200.6)	(270.1)	69.5	(25.7)
Total Cost of Generation	3,745.9	4,404.5	(658.6)	(15.0)	17,585.1	24,142.4	(6,557.3)	(27.2)
Staff Costs	917.2	1,056.3	(139.1)	(13.2)	1 3,832.4	3,752.0	80.4	2.1
Repair & Maintenance	648.5	497.3	151.2	30.4	2,100.8	2,173.8	(73.0)	(3.4)
TNB General Expenses	615.4	539.8 2	75.6	14.0	2 1,931.1	2,349.2	(418.1)	(17.8)
Subs. Cost of Sales & Opex	206.0	441.2 3	(235.2)	(53.3)	3 1,060.6	955.2	105.4	11.0
Total Non-Generation Cost	2,387.1	2,534.6	(147.5)	(5.8)	8,924.9	9,230.2	(305.3)	(3.3)
Total Operating Expenses (without Depreciation)	6,133.0	6,939.1	(806.1)	(11.6)	26,510.0	33,372.6	(6,862.6)	(20.6)
Depreciation & Amortisation	2,761.0	2,616.1	144.9	5.5	4 10,622.4	10,188.9	433.5	4.3
Total Operating Expenses	8,894.0	9,555.2	(661.2)	(6.9)	37,132.4	43,561.5	(6,429.1)	(14.8)

1 Y-o-Y - Includes reversal of LTIP provision of around RM220mil made in 1HFY'19

2
- Higher 4Q vs 3Q mainly due to :
  i. General R&M due to lesser restriction and business are allowed to run as usual
  ii. Expenses made for Covid-19 which related to courier services to send billing and discount pamphlet to customer of RM42.9mil
- Lower Y-o-Y mainly due to MCO lockdown in 2QFY'20

3
- Lower 4Q vs 3Q mainly due to :
  i. one-off fee incurred due to acquisition of Vortex Solar made in 3Q
  ii. Impairment made for GMR of RM51.6mil in 3Q
- Higher Y-o-Y mainly due to one-off fee incurred due to acquisition of Vortex Solar made in 3Q

4 Higher Y-o-Y due to additional depreciation of Jimah East Power (JEP)

Lower fuel prices from coal and gas reduced generation cost

Table A

TNB & IPP Fuel Costs for Peninsula (RM mil)				
Fuel Type	FY'20	FY'19	Variance RM mil	Variance %
Coal	9,075.2	10,047.2	(972.0)	(9.7)
Gas	6,223.6	11,215.8	(4,992.2)	(44.5)
LNG	0.7	260.0	(259.3)	(99.7)
Dist.	47.2	46.2	1.0	2.2
Oil	10.3	42.3	(32.0)	(75.7)
Total*	15,357.0	21,611.5	(6,254.5)	(28.9)

* Comprise TNB Fuel Cost & fuel payment to IPPs (part of Energy Payment)
Note: Fuel Cost exclude solar

Table B

TNB & IPP Units Generated for Peninsula (GWh)				
Fuel Type	FY'20	FY'19	Variance Gwh	Variance %
Coal	81,103.4	68,127.2 **	12,976.2	19.0
Gas & LNG	36,541.2	53,531.0	(16,989.8)	(31.7)
Dist.	0.0	32.4	(32.4)	(100.0)
Oil	6.2	93.6	(87.4)	(93.4)
Hydro	4,659.6	3,921.4	738.2	18.8
Solar	866.1	697.1	169.0	24.2
Total	123,176.5	126,402.7	(3,226.2)	(2.6)

*** Revised units generated for JEP in FY'19*

Table C

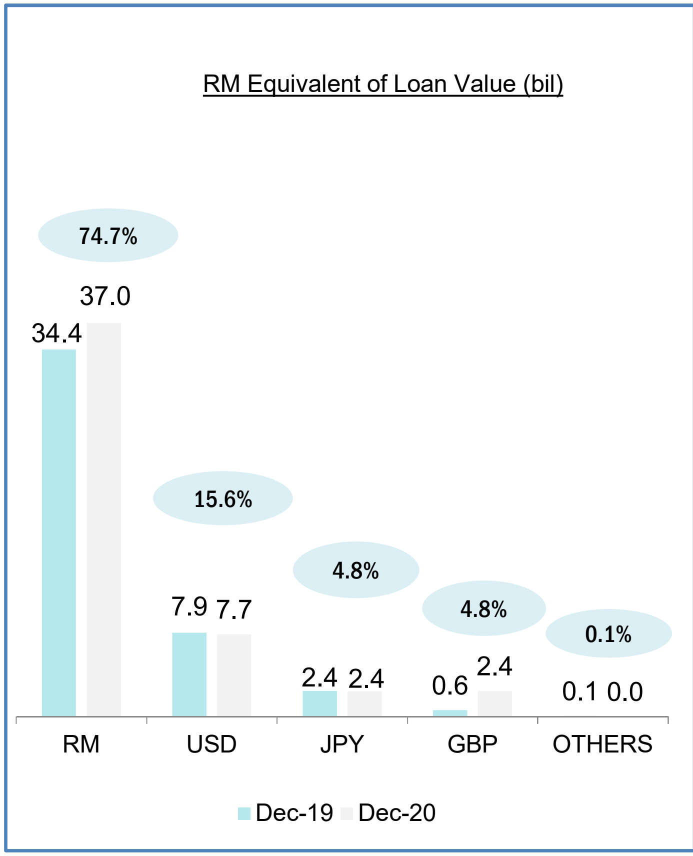
Fuel Costs Related Data	FY'20	FY'19
Daily Average Piped Gas Volume (mmscfd)	712.3	1,046.0
Daily Average LNG Volume (mmscfd)	NA	232
Reference Market Price (RM/mmbtu)***	1Q – 26.86 2Q – 26.25 3Q – 25.10 4Q – 16.92	NA
Average LNG Price (RM/mmbtu)	NA	34.2
Average Piped Gas Price (RM/mmbtu)	NA	28.7
Average Coal Price Delivered (USD/MT)(CIF)	60.6	79.3
Average Coal Price Delivered (RM/MT)(CIF)	255.6	326.3
Coal Consumption (mn MT)	34.7	28.8
Generation cost per unit (sen/kWh)	12.5	17.1

****Reference Market Price (RMP) starting January 2020*

Table D

Average Coal Price Delivered (USD/MT)				
	FY'20	FY'19	Variance USD	Variance %
FOB	53.1	71.4	(18.3)	(25.6)
Freight	7.0	7.5	(0.5)	(6.1)
Others	0.4	0.4	0.1	12.5
CIF	60.6	79.3	(18.7)	(23.6)

Increased in total debt due to drawdown of new sukuk, however capital headroom remains healthy



Note:
Debt consists of Principal + Accrued Interest

	Statistics	31st Dec'20	31st Dec'19
1	Total Debt (RM' Bil)	49.5	45.4
	Net Debt (RM' Bil)*	36.0	31.2
1	Gearing (%)	46.3	43.4
	Net Gearing (%)	33.7	29.8
	Fixed : Floating		
	Underlying	95:5	98:2
	Final Exposure	99:1	98:2
2	Effective Average Cost of Borrowing (based on exposure) **	4.88	5.06

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

** Inclusive of interest rate swap

1 Increase mainly due to :
- Issuance of Sukuk Wakalah IMTN of RM3bil on 12th August 2020
- Loan in Vortex of RM1.5bil due to change of accounting treatment from associate to subsidiary
- Banker's acceptance of RM1bil for working capital purposes in 1Q'FY20

2 Reduced due to lower interest rate of the new drawdown.

Closing FOREX	31st Dec'20	30th Sept'20	30th Jun'20	31st Mar'20	31st Dec'19
USD/RM	4.02	4.18	4.28	4.29	4.09
100YEN/RM	3.90	3.93	3.98	3.96	3.77
GBP/RM	5.48	5.53	5.25	5.30	5.37
USD/YEN	103.12	106.36	107.68	108.24	105.40

CONTENT OVERVIEW

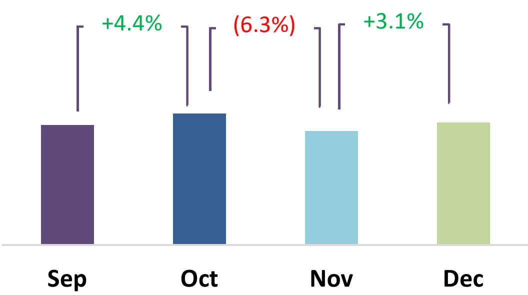
OUTLOOK

Electricity Demand

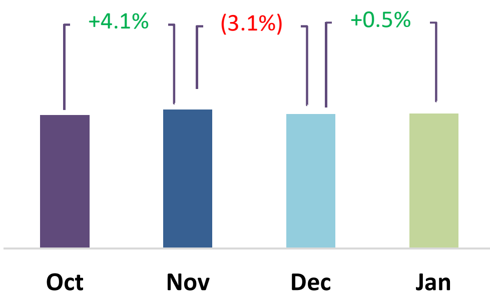
- Under RP2 extension year, our approved demand forecast is 113,909 GWh or 2.9% growth compared to JPPPET revised FY2020 forecast.
- Given that most of the Industrial and Commercial sectors are allowed to operate during MCO 2.0, we expect the impact of the lockdown to the electricity demand to be less severe than in FY2020.
- Nevertheless, earnings of our regulated revenue cap entities are guaranteed at demand growth as stipulated by the IBR guidelines.

Snapshot of demand, sales & collection (Monthly trending)

Demand /Unit Generated (GWh)

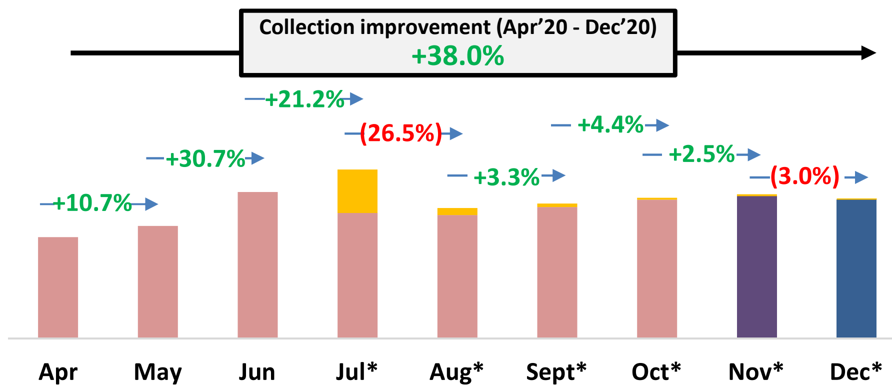


Sales (RM)



Note: There is a lagging effect between units generated and Sales e.g. units generated in Oct'20 will be reflected as Sales for Nov'20

Collection (RM)



* Collection include Bantuan Prihatin Elektrik (BPE) of :

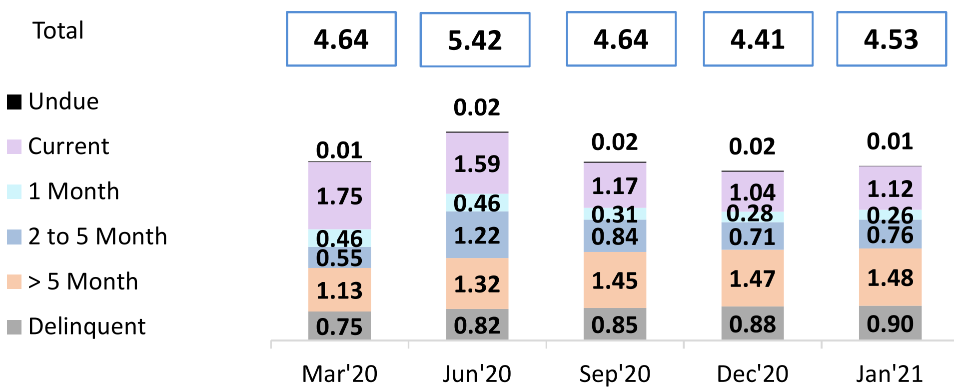
Jul – RM1.1bil
Aug – RM1.8mil
Sep – RM0.9mil
Oct – RM0.5mil
Nov – RM0.5mil
Dec – RM0.3mil

Bantuan Prihatin Elektrik

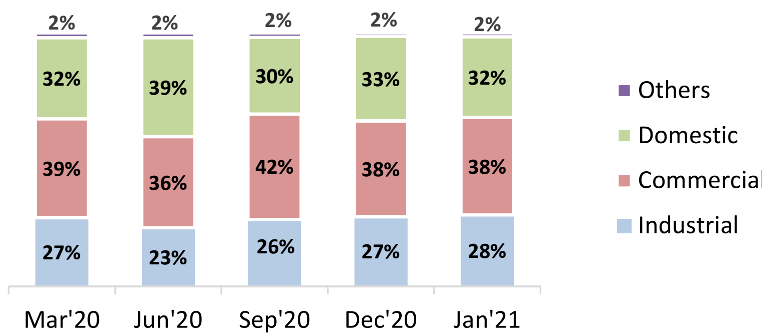
OUTLOOK

Electricity bill discounts funded by the Government mitigates the overall collection risk, cushioning the impact on allowance for doubtful debt

Trade Debtors Ageing (RM bil)



Trade Debtors By Sectors



Initiatives to improve collection

- Easy payment plans for domestic / residential customers' electricity bills.
- Installment plan on case by case basis for non-Domestic customers.
- Introduce more payment channels such as e-wallet (in collaboration with banks).
- Provide personalized engagement with large power consumer.
- Perform close monitoring on commercial and industrial customers with debt exposure, especially those under vulnerable sub-sectors.

Cash flow

- Our cash flow is resilient supported partly by the recent capital drawdown. Furthermore, we commanded good rates in the exercise due to our robust and strong balance sheet.
- For FY'20, the allowance for doubtful debt is RM325.9mil.
- We have recognised full RM250 million for the consumers' electricity bill discounts for the period Apr'20 – Sept'20. The balance of RM2.5bil of the electricity bill discounts is funded by the Government, therefore mitigating our overall collection risk.
- The board is currently comfortable with the level of contribution made thus far.

OUTLOOK

MESI 2.0

- MESI 2.0 is currently under review by the Government. TNB is working closely with the Regulators towards realising the reform plans.
- TNB has been preparing for any future scenario reforms, putting in place a strong business strategy since 2015 i.e. Reimagining TNB. The formation of TNB Power Generation Sdn Bhd (TPGSB) and TNB Retail Sdn Bhd (TRSB) is part of navigating the Group towards being resilient to the industry changes.
- The Group anticipates that changes will happen in a managed and controlled manner. Therefore, impacts from the policy reforms are expected to be manageable.

Regulatory Framework

- On 23rd Dec'20, EC had approved the RP2 Extension parameters under the IBR framework. This extension instils confidence on the effectiveness of the IBR mechanism to maintain stability in the power industry.
- The RP2 Extension approved parameters are fair and transparent. Our Regulated entities earnings will remain stable at base tariff of 39.45 sen/kwh and WACC of 7.3%.
- In addition, EC has allowed higher ADD of RM200mil for FY2021 (vs RM94.3mil for FY2020), in consideration of impacted collection due to MCO.

	RP2 Extension Parameters
Base Tariff (sen/kwh)	39.45
Weighted Average Cost of Capital (WACC) (%)	7.3
Demand Forecast (Gwh)	113,909
Allowed CAPEX (RM bil)	7.30
Allowed OPEX (RM bil)	6.30
Fuel Parameters	
a) Gas (RM/MMBtu)	27.20
b) Coal (USD/MT)	67.45
c) FOREX (USD/RM)	4.212

OUTLOOK

International Business

- For 2021, we will be executing a strategy aimed at protecting value from existing assets, which includes Liberty, Shoaiba, GEAS and GEL and creating value for performing assets (Vortex and TWV).
- Part of this strategy involves executing a plan focusing on growing TNB's international Renewable Energy business leveraging on existing assets, capabilities and experience.
- Our immediate strategy is to grow TNB's international Renewable Energy business to sizeable portfolio through :
  a) acquisitions of operational assets
  b) greenfield development
- Our focus on Renewable energy is further supported by our observations of the global energy market during Covid-19 induced lockdowns. During this period, RE has shown to be a resilient source, where it has even increased market share amidst changing demand and supply dynamics of the sector

Dividend Policy

We will continue to honour our dividend policy of 30% to 60% dividend payout ratio, based on the reported Consolidated Net Profit Attributable to Shareholders After Minority Interest, excluding Extraordinary, Non-Recurring items.

2021 CAPEX

RM9.5 bil

- Regulated Recurring : RM7.3bil
- Others : RM2.2bil

CONTENT OVERVIEW

Year-on-year (Y-o-Y) analysis

RM mil		FY'20	FY'19	Variance RM mil	Variance %
Revenue		43,976.0	50,939.7	(6,963.7)	(13.7)
Operating expenses (without depreciation)		(26,510.0)	(33,372.6)	6,862.6	(20.6)
Net loss on impairment of financial instruments	1	(546.2)	(302.4)	(243.8)	80.6
Other operating income		1,061.4	1,131.0	(69.6)	(6.2)
EBITDA		**17,981.2**	**18,395.7**	**(414.5)**	**(2.3)**
EBITDA Margin (%)		40.9%	36.1%		
Depreciation	2	(10,622.4)	(10,188.9)	(433.5)	4.3
EBIT		**7,358.8**	**8,206.8**	**(848.0)**	**(10.3)**
Foreign exchange:					
- Transaction loss		(45.4)	(86.7)	41.3	(47.6)
- Translation gain / (loss)		71.6	200.6	(129.0)	(64.3)
Share of results of joint ventures		19.8	25.7	(5.9)	(23.0)
Share of results of associates		56.7	26.9	29.8	>100.0
Profit before finance cost		**7,461.5**	**8,373.3**	**(911.8)**	**(10.9)**
Fair value changes of financial instrument		124.9	(38.0)	162.9	>(100.0)
Finance income	3	317.7	525.1	(207.4)	(39.5)
Finance cost	2	(3,668.7)	(3,382.7)	(286.0)	8.5
Profit from ordinary activities before taxation		**4,235.4**	**5,477.7**	**(1,242.3)**	**(22.7)**
Taxation and Zakat:					
- Company and subsidiaries	4	(530.2)	(920.6)	390.4	(42.4)
- Deferred taxation		(88.8)	(112.1)	23.3	(20.8)
Profit for the period		**3,616.4**	**4,445.0**	**(828.6)**	**(18.6)**
Attributable to:					
- Owners of the Company		3,592.7	4,529.2	(936.5)	(20.7)
- Non-controlling interests		23.7	(84.2)	107.9	>(100.0)
Profit for the period		**3,616.4**	**4,445.0**	**(828.6)**	**(18.6)**

Y-o-Y PAT includes:

1. Higher due to ADD of RM325.9mil
2. Higher Depreciation and Finance cost due to additional depreciation of Jimah East Power (JEP) – fully commissioned in 2020
3. Lower finance income resulted from lower placement in Unit Trust Fund and lower interest rate for Fixed Deposit
4. Lower due to higher Capital Allowance (CA) from project completion

APPENDIX 2 PROFIT & LOSS

Quarter on quarter (Q-o-Q) analysis

RM mil	1QFY'20	2QFY'20	3QFY'20	4QFY'20	Variance 4Q vs 3Q RM mil	%
Revenue	11,654.5	10,890.8	11,106.4	10,324.3	(782.1)	(7.0)
Operating expenses (without depreciation)	(6,954.6)	(6,483.3)	(6,939.1)	(6,133.0)	806.1	(11.6)
Net loss on impairment of financial instruments	(101.6)	(60.0)	(180.1)	(204.5)	(24.4)	13.5
Other operating income	215.5	130.0	1 486.7	229.2	(257.5)	(52.9)
EBITDA	**4,813.8**	**4,477.5**	**4,473.9**	**4,216.0**	**(257.9)**	**(5.8)**
EBITDA Margin (%)	41.3%	41.1%	40.3%	40.8%		
Depreciation	(2,590.0)	(2,655.3)	(2,616.1)	(2,761.0)	(144.9)	5.5
EBIT	**2,223.8**	**1,822.2**	**1,857.8**	**1,455.0**	**(402.8)**	**(21.7)**
Foreign exchange:						
- Transaction (loss) / gain	(14.8)	3.9	(8.6)	(25.9)	(17.3)	>100.0
- Translation (loss) / gain	(388.0)	55.5	158.2	2 245.9	87.7	55.4
Share of results of joint ventures	6.3	(2.9)	(6.7)	23.1	29.8	>(100.0)
Share of results of associates	9.4	18.2	13.5	15.6	2.1	15.6
Profit before finance cost	**1,836.7**	**1,896.9**	**2,014.2**	**1,713.7**	**(300.5)**	**(14.9)**
Fair value changes of financial instrument	(26.0)	(23.1)	109.1	64.9	(44.2)	(40.5)
Finance income	103.7	89.4	76.4	48.2	(28.2)	(36.9)
Finance cost	(898.0)	(918.5)	(917.0)	(935.2)	(18.2)	2.0
Profit from ordinary activities before taxation	**1,016.4**	**1,044.7**	**1,282.7**	**891.6**	**(391.1)**	**(30.5)**
Taxation and Zakat:						
- Company and subsidiaries	(479.0)	(269.8)	(254.7)	3 473.3	728.0	>(100.0)
- Deferred taxation	199.3	(98.9)	(26.1)	(163.1)	(137.0)	>100.0
Profit for the period	**736.7**	**676.0**	**1,001.9**	**1,201.8**	**199.9**	**20.0**
Attributable to:						
- Owners of the Company	717.9	653.3	1,009.6	1,211.9	202.3	20.0
- Non-controlling interests	18.8	22.7	(7.7)	(10.1)	(2.4)	31.2
Profit for the period	**736.7**	**676.0**	**1,001.9**	**1,201.8**	**199.9**	**20.0**

Q-o-Q PAT includes:

1. Higher operating income resulted from income for deemed disposal of associate of RM231.3mil
2. Higher translation gain due to strengthening of Ringgit
3. Includes Capital Allowance (CA) from project completion

The net impact of MFRS 16 reduced the group PAT by RM613.4mil

Net Impact of MFRS 16 (Y-o-Y) analysis

	FY'20 (RM mil)	FY'19 (RM mil)	Variance (RM mil)	Remarks
Capacity Payment	4,400.8	4,246.9	153.9	**Increasing EBITDA and PAT in FY'20**
Depreciation	(3,601.2)	(3,224.9)	(376.3)	**Decreasing PAT in FY'20**
Finance Cost	(1,587.9)	(1,394.0)	(193.9)	**Decreasing PAT in FY'20**
Deferred Tax	174.9	0.0	174.9	**Increasing PAT in FY'20**
Net Impact	**(613.4)**	**(372.0)**	**(241.4)**	**Reducing PAT in FY'20**

Higher net impact for FY2020 was mainly due to step down of the Capacity Rate Financial of one of the IPP.

- Finance cost for Right of Use (ROU) assets under MFRS16 follows reducing balance schedule whereas capacity payment is based on the PPA terms which contains step up and step down of Capacity Rate Financial (CRF).
- The difference between finance cost and capacity payment figures will impact TNB's books. The larger the difference between both figures will result in greater impact to P&L either in a positive or negative way.
- Illustration of IPP A MFRS16 impact due to CRF step down in FY'20:

	FY'20	FY'19	Variance
Capacity Payment	800.0 *	1,060.0	(260.0)
Finance cost	(300.0)	(318.6)	18.6
Depreciation**	(820.0)	(820.0)	-
Net Impact	**(320.0)**	**(78.6)**	**(241.4)**

* Lower capacity payment due to CRF step down in FY'20
** Generally, depreciation will remain constant through out the PPA terms

APPENDIX 4 Q-o-Q FUEL COST (PENINSULA)

Lower fuel cost mainly due to cheaper gas price

Table A

TNB & IPP Fuel Costs for Peninsula (RM mil)						
Fuel Type	4QFY'20	3QFY'20	2QFY'20	1QFY'20	Variance 4Q vs 3Q RM mil	%
Coal	2,047.2	2,209.0	2,242.0	2,577.0	(161.8)	(7.3)
Gas	1,110.7	1,592.4	1,620.3	1,900.2	(481.7)	(30.2)
LNG	0.7	0.0	0.0	0.0	0.7	NA
Dist.	17.2	14.0	5.3	10.7	3.2	22.9
Oil	5.1	1.0	(2.9)	7.1	4.1	410.0
Total*	3,180.9	3,816.4	3,864.7	4,495.0	(635.5)	(16.7)

* Comprise TNB Fuel Cost & fuel payment to IPPs (part of Energy Payment)

Note: Fuel Cost exclude solar

Table B

TNB & IPP Units Generated for Peninsula (GWh)						
Fuel Type	4QFY'20	3QFY'20	2QFY'20	1QFY'20	Variance 4Q vs 3Q Gwh	%
Coal	20,207.2	21,169.4	19,100.1	20,626.7	(962.2)	(4.5)
Gas	9,322.2	8,839.9	8,657.8	9,721.3	482.3	5.5
Oil	(6.7)	-	12.8	0.1	(6.7)	>(100)
Hydro	1,526.4	1,417.0	854.8	861.4	109.4	7.7
Solar	217.9	203.5	218.7	226.0	14.4	7.1
Total	31,267.0	31,629.8	28,844.2	31,435.5	(362.8)	(1.1)

Note : Numbers manually computed will not match due to decimal variance

Table C

Fuel Costs Related Data	4QFY'20	3QFY'20	2QFY'20	1QFY'20
Daily Average Gas Volume (mmscfd)	744	680	660	755
Gas Reference Market Price (RM/mmbtu) *	16.92	25.10	26.25	26.86
Average Coal Price Delivered (USD/MT)(CIF)	57.8	54.6	61.7	68.6
Average Coal Price Delivered (RM/MT)(CIF)	238.8	229.8	265.8	289.3
Coal Consumption (mil MT)	8.5	9.0	8.4	8.8
Generation cost per unit (sen/kWh)	10.2	12.1	13.4	14.3

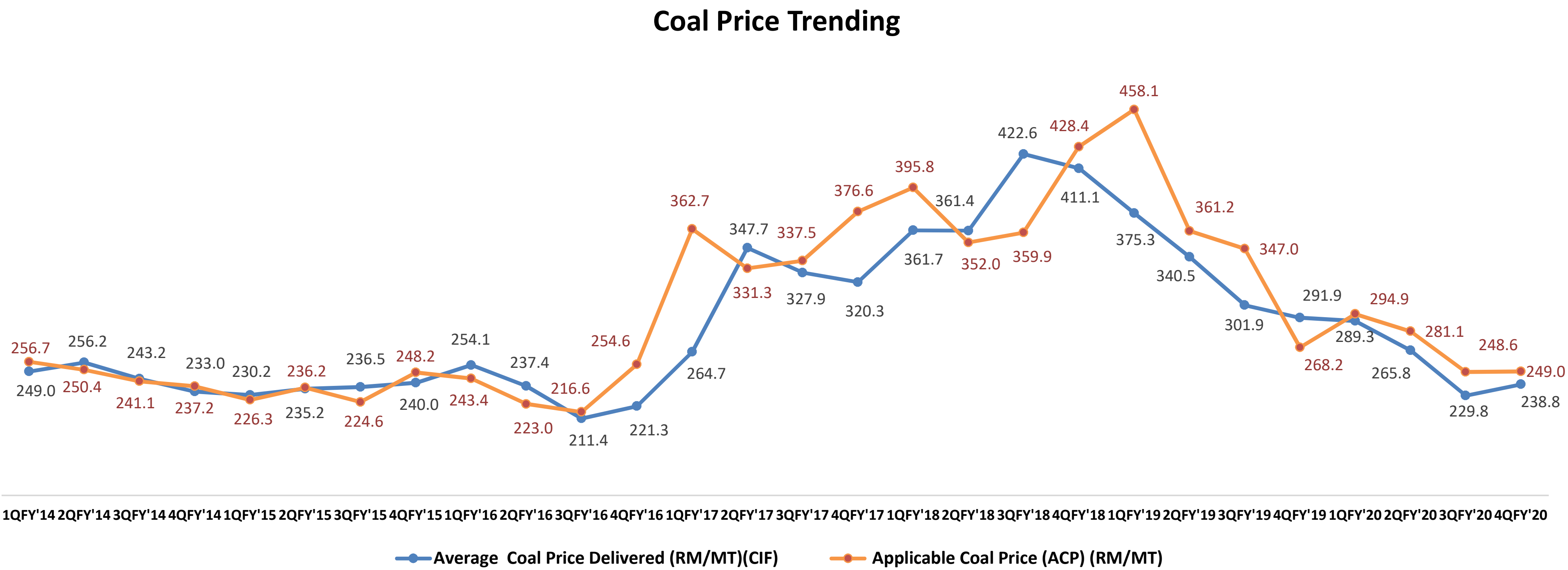
**Reference Market Price (RMP) starting January 2020*

Table D

Average Coal Price Delivered (USD/MT)						
	4QFY'20	3QFY'20	2QFY'20	1QFY'20	Variance USD	%
FOB	50.1	47.5	55.1	60.9	2.6	5.4
Freight	7.3	6.7	6.1	7.2	0.6	8.6
Others	0.4	0.4	0.5	0.6	0.0	10.0
CIF	57.8	54.6	61.7	68.7	3.2	5.8

APPENDIX 5 COAL PRICE

Continuous downward trending of coal price will relieve pressure on future ICPT



Coal price & Applicable Coal Price (ACP) comparison

	1QFY20	2QFY20	3QFY20	4QFY20
Average Coal Price Delivered (RM/MT)	289.33	265.81	229.80	238.80
Average Coal Price Delivered (RM/mmBtu) *	13.48	12.09	10.41	10.62
ACP (RM/mmBtu)	13.51	12.88	11.39	11.41

* Based on internal conversion

- Fuel Price Adjustments (FPA) is the difference between the Applicable Coal Price (ACP) used to bill the generators and the actual coal price paid to supplier. The difference is caused by higher or lower coal price or due to currency exchange.
- In 4QFY'20, the base ACP (RM11.41/mmBtu) used for billing the generators is higher than the coal price paid to supplier (RM10.62/mmBtu)

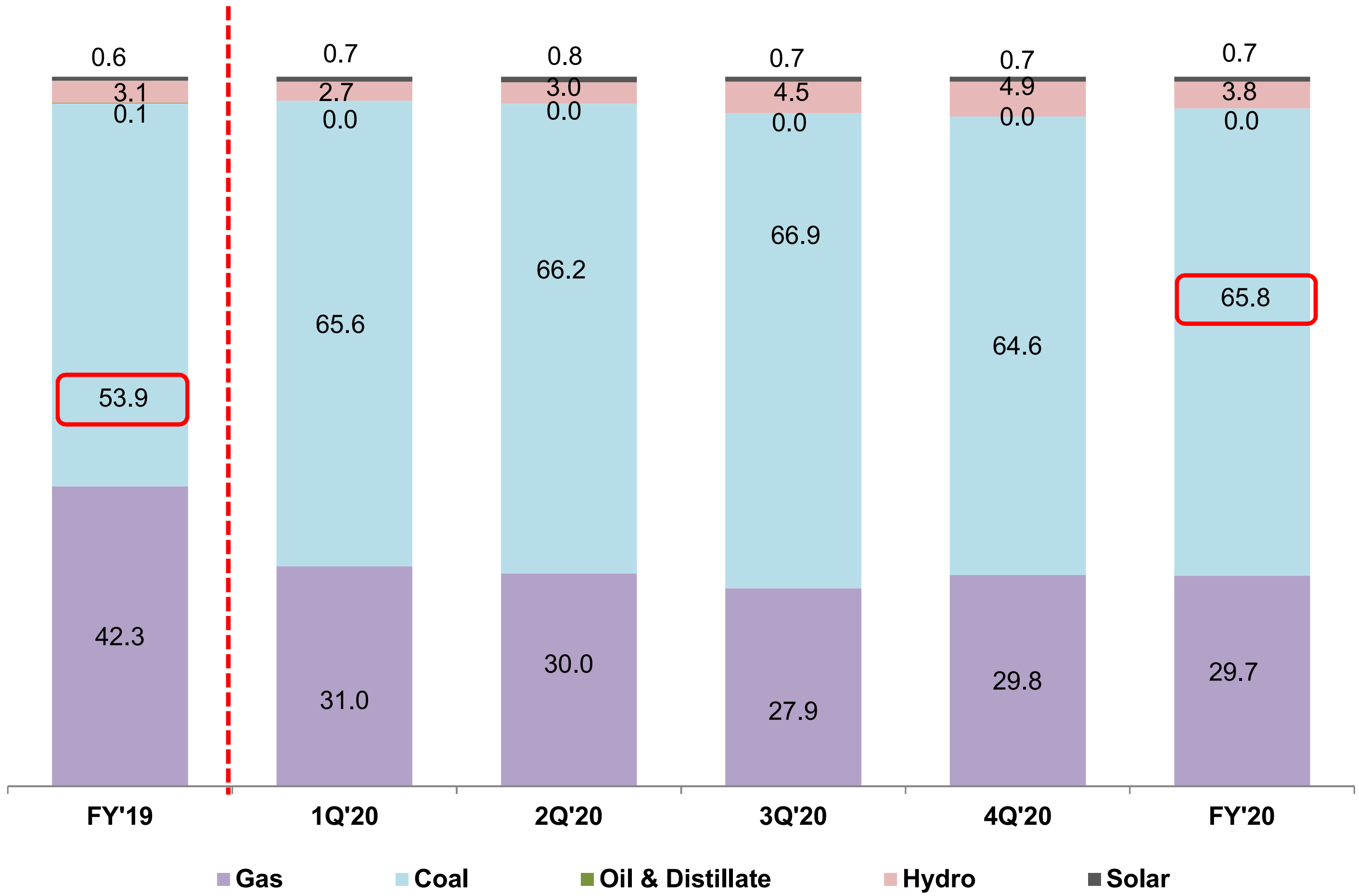
Continuous effective ICPT implementation neutralises the fluctuation in fuel costs

	1QFY'20 (RM mn)	2QFY'20 (RM mil)	3QFY'20 (RM mil)	4QFY'20 (RM mil)	FY'20 (RM mil)
Reported Total Cost of Generation (with MFRS16)	5,019.7	4,415.0	4,404.5	3,745.9	17,585.1
Adjustment not related to IBR:	1,008.7	975.8	989.5	993.4	3,967.4
Fuel Price Adjustment	*49.1*	*94.5*	*116.2*	*107.4*	*367.2*
MFRS16 & 117 (Capacity payment)	*1,102.4*	*1,103.2*	*1,078.2*	*1,052.2*	*4,336.0*
SESB Net Generation Cost	*(117.6)*	*(131.7)*	*(104.2)*	*(137.1)*	*(490.6)*
LPL Fuel Cost	*(25.2)*	*(90.2)*	*(100.7)*	*(29.1)*	*(245.2)*
TNB Capacity and VOR: SLA & SPV	1,220.8	1,318.0	1,424.9	1,402.1	5,365.8
Total Generation Costs (Related to IBR)	7,249.2	6,708.8	6,818.9	6,141.4	26,918.3

	1QFY'20 (RM mn)	2QFY'20 (RM mil)	3QFY'20 (RM mil)	4QFY'20 (RM mil)	FY'20 (RM mil)
Single Buyer Actual Generation Costs: (A)	7,249.2	6,708.8	6,818.9	6,141.4	26,918.3
Actual Sales (Gwh)	27,938.2	25,597.6	28,747.9	28,455.4	110,739.0
Single Buyer Tariff (RM/kwh)	0.2705	0.2705	0.2705	0.2705	0.2705
Actual Gen Cost Recovered (RM mn) (B)	7,556.7	6,923.7	7,775.8	7,696.6	29,952.8
ICPT Surcharge / (Rebate) (C) (C = A – B)	(307.5)	(214.9)	(956.8)	(1,555.3)	(3,034.5)
(+) Prior Year Accounting Adjustment	0.0	0.0	0.0	0.0	0.0
ICPT	(307.5)	(214.9)	(956.8)	(1,555.3)	(3,034.5)

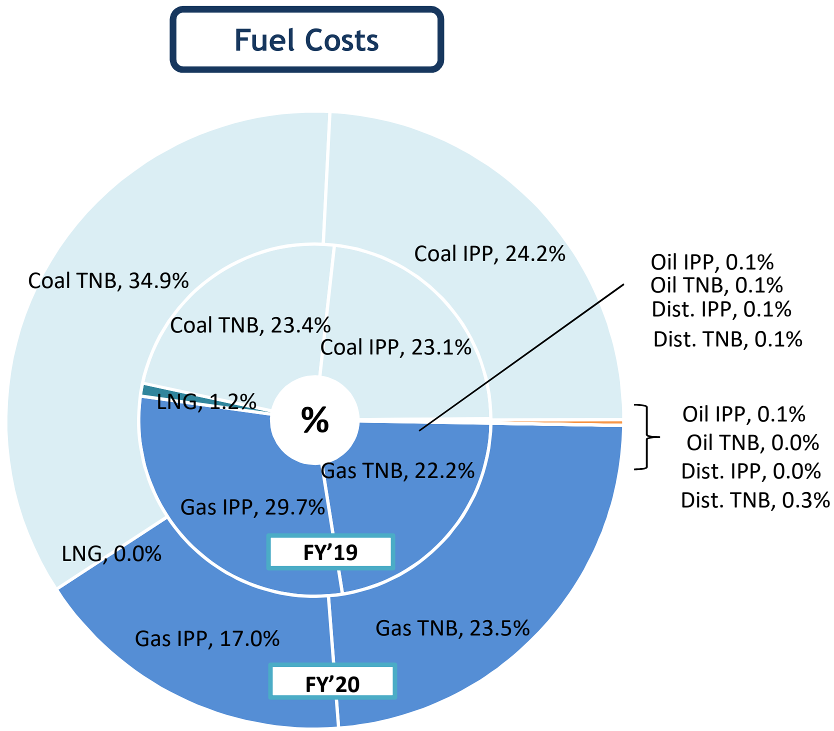
Higher units generated from coal in FY’20 with the full operation of Jimah East Power

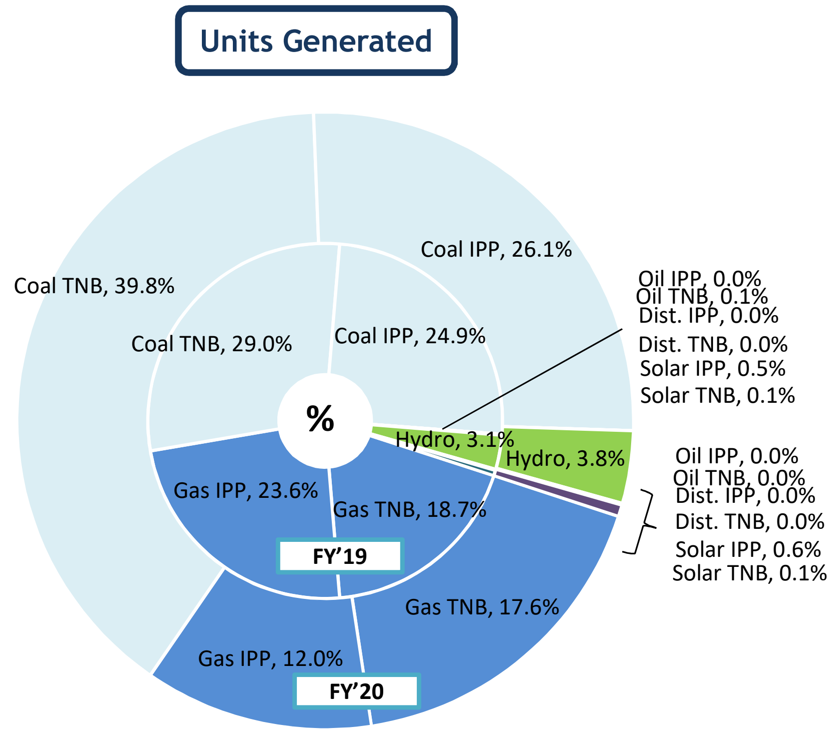
GENERATION MIX FOR INDUSTRY (%)



APPENDIX 8 GENERATION MIX

Fuel costs (TNB & IPPs - Peninsula)



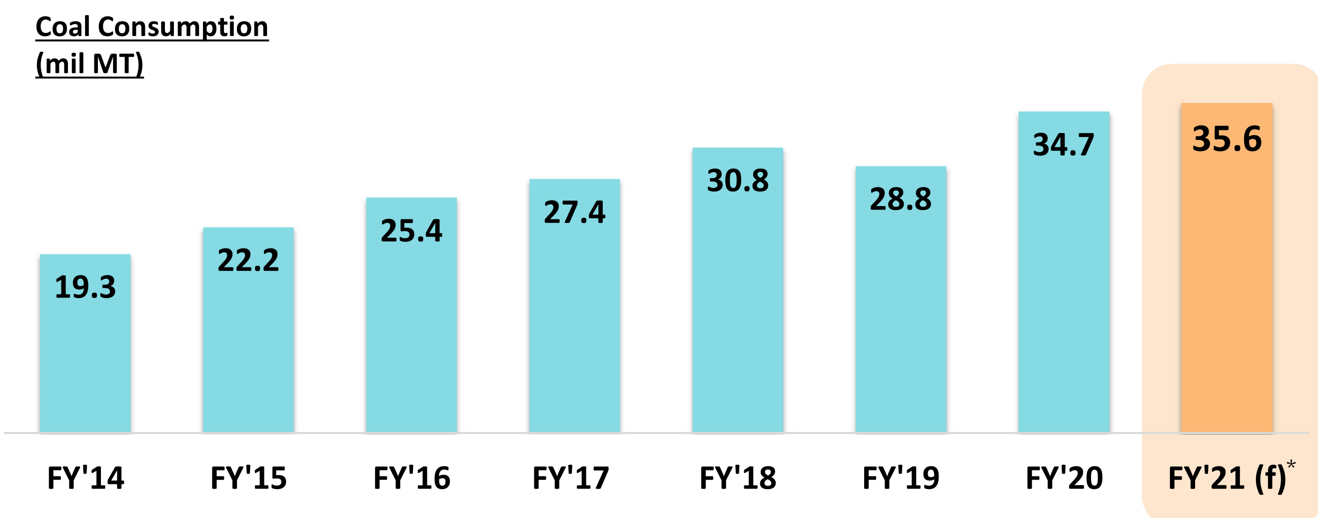


% indicates generation market share

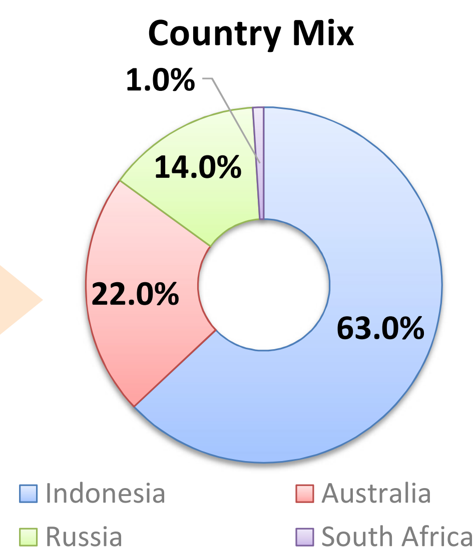
Note: Fuel Cost exclude solar

Higher coal requirement for 2020 with the full operation of Jimah East Power

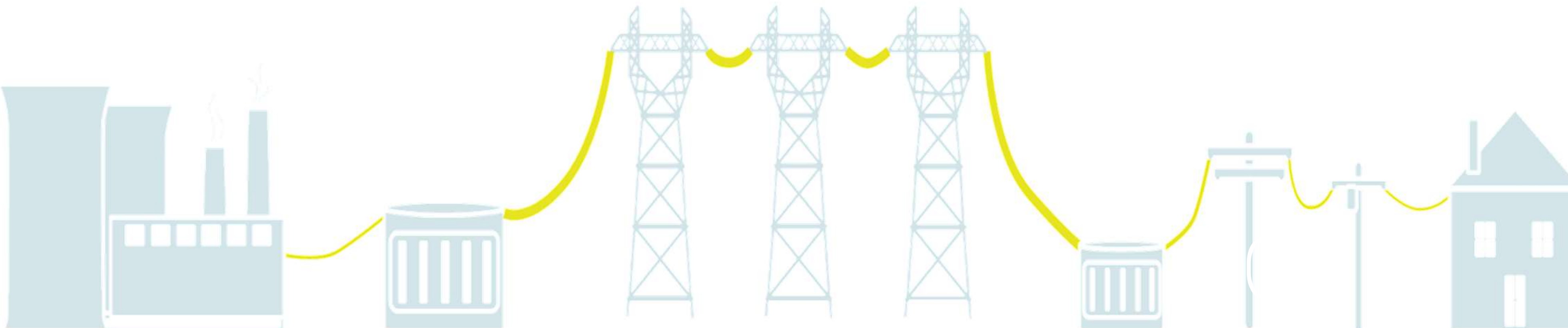
Average Coal Price (CIF)	FY'14	FY'15	FY'16	FY'17	FY'18	FY'19	FY'20
USD/metric tonne (MT)	75.4	66.0	55.7	72.7	95.9	79.3	60.6
RM/metric tonne (MT)	244.6	236.0	231.1	314.7	388.1	326.3	255.6



* Based on tonnage planned for delivery in FY'20



Improved technical performance



Equivalent Plant Availability Factor (EAF)
(Generation)

87.39%

FY'19: 83.4%

System Minutes
(Transmission)

0.08 mins

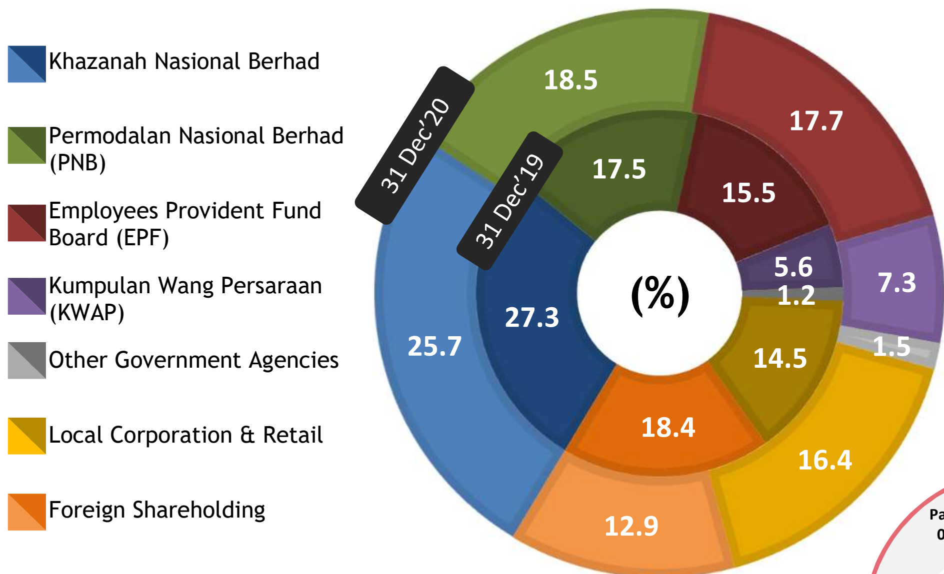
FY'19 : 0.27 mins

SAIDI
(Distribution Network)

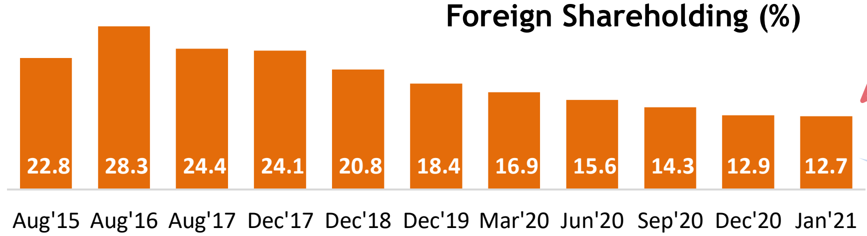
45.0 mins

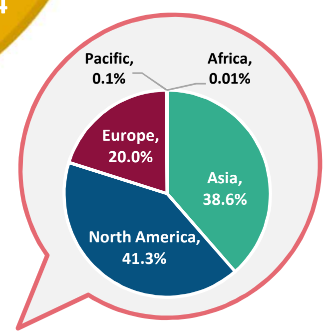
FY'19 : 48.1 mins

TNB market capitalisation of RM59.4bil as at 31st December 2020



Foreign Shareholding (%)

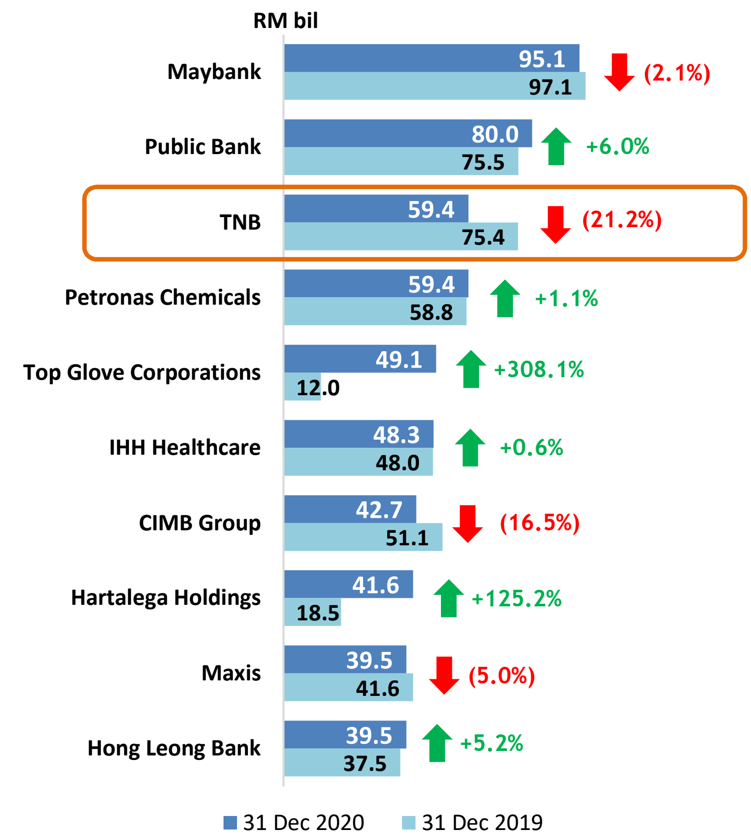




Institutional: 12.69%
Individual: 0.05%

Source: Share Registrar, Bloomberg and IR Internal Analysis

Top 10 KLCI Stocks by Market Capitalisation



Note:
1. Top 10 KLCI ranking by Market Capitalisation as at 31st December 2020
2. TNB Latest Market Cap: RM56.5bil (4th), as at 24th February 2021

THANK YOU

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