

TGU, NCBFG refinancing debt on Wall Street



FILE: Trinidad Generation Unlimited (TGU) electricity generation plant in La Brea

Trinidad Generation Unlimited (TGU) and NCB Financial Group Limited (NCBFG) are planning to raise US\$500 million and US\$300 million, respectively, in the international capital markets to refinance existing debt.

Fitch Ratings assigned a BB rating to La Brea-based electricity generator TGU, which is expected to raise US\$500 million in senior unsecured notes due 2033. The proceeds from the bond issue will be used to refinance the company's existing US\$600 million unsecured notes due 2027. Part of the net proceeds will be used to pay for issuance costs and general corporate purposes.

"The rating reflects TGU's importance to Trinidad and Tobago's (T&T) energy matrix and its operational ties to the Government. TGU's generation capacity is contracted under a power

purchase agreement (PPA) through 2041 with state-owned electricity transmission and commercialisation entity T&T Electricity Commission (T&TEC), with payments unconditionally and irrevocably guaranteed by the Government. As the primary national energy provider, TGU benefits from long-term cash stability with limited business, market, and demand risk,” the Fitch news release stated.

NCBFG published a release on the Jamaica Stock Exchange (JSE) that it would be raising US\$300 million by way of an offering of new senior unsecured notes. The rate and tenor of the instrument has yet to be determined, according to Fitch Ratings, which assigned an expected B+ long-term rating for NCBFG. The offer is to be priced by June 11 and close shortly thereafter as per the JSE release. NCBFG has J\$90.72 billion (US\$571.64 million) in debt as of September 30, 2024, with J\$45.99 billion (US\$289.82 million) in United States dollars (USD).

“NCBFG will use the net proceeds to redeem part of its remaining outstanding notes and for general corporate purposes.

The final rating is contingent upon the receipt of final documents conforming to information already received,” the Fitch release stated.

NCBFG also received a B- rating from S&P Global Ratings for the proposed senior unsecured medium-term notes. Its subsidiary National Commercial Bank Jamaica Limited has a higher BB- rating from S&P Global and Fitch Ratings.