



## NEWS RELEASE

### **TVA Sets New Record for Lowest-Cost Borrowing**

KNOXVILLE, Tenn. — The Tennessee Valley Authority announced today that it priced \$1 billion of new 5-year maturity global power bonds carrying an interest rate of 0.75%. The offering marks a TVA record for the lowest interest rate ever achieved on a bond issuance.

TVA announced the 5-year offering on Wednesday to take advantage of the historically low interest rate environment and meet its ongoing funding needs. The proceeds will be used to refinance existing debt and for general power system purposes. The new bonds will result in \$15 million in lower annual interest expense as compared to the \$1 billion of bonds that matured in March.

“It is a historic opportunity to borrow money for less than 1%, and I am proud of what we accomplished. We were patient and waited for the markets to settle down from the initial panic related to the pandemic, and it turned out to be a good decision,” said TVA’s Treasurer and Chief Risk Officer, Tammy Wilson. “TVA is self-funded and not owned by shareholders, so the savings TVA locks in from today’s transaction flow directly to the benefit of our local power company partners and the 10 million people we collectively serve.”

Bank of America Merrill Lynch, Barclays Capital, Morgan Stanley, and TD Securities are joint book-running managers for the transaction. TVA’s offering drew over \$4 billion in interest from a variety of investor bases, including central banks, money managers, state governments, insurance companies, and others.

“TVA has been in operation for 87 years this month – through multiple recessions and periods of uncertainty, and the TVA credit tends to shine in difficult times,” added Wilson. “The strong reception to today’s offering demonstrates confidence in TVA and the value we provide the investors that have supported our funding program over the years.”

The new bonds will mature on May 15, 2025, and are not subject to redemption prior to maturity. Interest will be paid semi-annually each November 15 and May 15. Application has been made to list the bonds on the New York Stock Exchange. The bonds will be issued, maintained and transferred through the book-entry system of the Federal Reserve Banks. Transactions may be cleared and settled by international participants through

Clearstream and Euroclear. The bonds can be identified by the CUSIP number 880591EW8 (ISIN number US880591EW81).

The Tennessee Valley Authority is a corporate agency of the United States that provides electricity for business customers and local power distributors serving 10 million people in parts of seven southeastern states. TVA receives no taxpayer funding, deriving virtually all of its revenues from sales of electricity. In addition to operating and investing its revenues in its electric system, TVA provides flood control, navigation and land management for the Tennessee River system and assists local power companies and state and local governments with economic development and job creation.

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Media Contact: Jim Hopson, Knoxville, 865-632-8860  
TVA Public Relations, Knoxville, 865-632-6000  
[www.tva.com/news](http://www.tva.com/news)  
Follow TVA news on [Facebook](#) and [Twitter](#)

Investor Relations: Tammy Wilson, Knoxville, 865-632-3366 or 888-882-4975  
Josh Carlon, Knoxville, 865-632-4133 or 888-882-4975  
<http://www.tva.com/investors>

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