



TABUNG HAJI
حي على الفلاح

BRIEFING SESSION ON

PERFORMANCE REVIEW OF LEMBAGA

TABUNG HAJI &

HIBAH ANNOUNCEMENT

FOR 2018

Friday, 29 Rejab 1440H/5 April 2019



A RECAP OF 2018

Solid plan is urgently required to address growing deficit

1 A solid plan is required to address the growing deficit faced by **TH** as it directly affects **TH** ability to distribute hibah for a long period of time.

2 Commitment of the Government to help **TH** is critical as all deposits in **TH** is guaranteed by the Government under section 24 of the Tabung Haji Act 1995.

JULY

New Leadership appointment at Board and Management

AUG
-
SEP

Review of financial position & investment

OCT
-
NOV

Formulation of Restructuring and Rehabilitation Plan

DEC

Completed the transfer of Assets



GAP HAS BEEN SUCCESSFULLY CLOSED

Underperforming assets had been transferred to a Government-owned SPV for rehabilitation

RM billion

Details of transferred assets		Market/Fair Value	Transfer Value	Premium
106 listed domestic equities	<ul style="list-style-type: none"> Losses of more than 20% (average loss of 55%) 	7.60*	16.85	+ 9.25
1 unlisted plantation company	<ul style="list-style-type: none"> Zero return Carry losses 	0.72	0.80	+ 0.08
29 properties & land	<ul style="list-style-type: none"> Yield of less than 2% 	1.41	2.25	+ 0.84
		9.73	19.90	+ 10.17

Premium that is required to help close the deficit gap as well as to set off the impairment recorded in 2018.

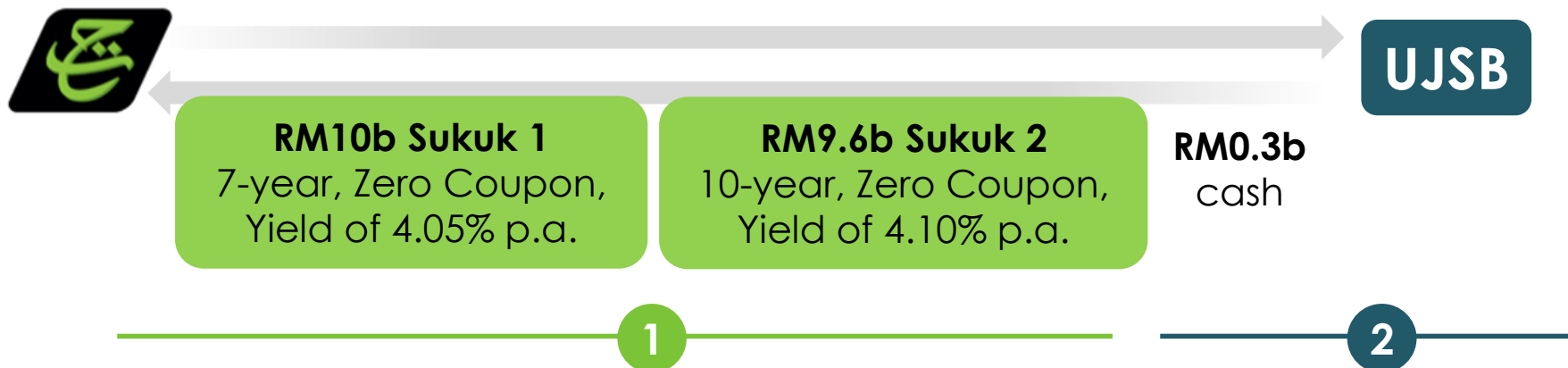
* Based on market price as at 31 December 2018



FIRST RIGHT OF REFUSAL GIVEN TO TH

Assets can be transferred back to TH for redemption of Sukuk by Urusharta Jamaah Sdn Bhd, UJSB

Assets transferred at
RM19.9b



Redemption can be made any time without penalty via cash or in-kind:-

- (1) Return transferred assets after rehabilitation given **TH's First Right of Refusal**; OR
- (2) Provide any other viable assets owned by the Government

Annual allocation by the Government to ensure UJSB is able to redeem all of its Sukuk



IMPAIRMENT OF RM1.5 BILLION FOR 2018

Significant impairment must be made in 2018 for the remaining investments that could not be carved out due to restrictions

Income Statement Unaudited (RM million)	2017		2018 MFRS 9	
Income	4,468.0		4,205.2	Investment Impairment Plantation sector RM 685 million Properties RM 528 million Construction RM 144 million O&G Marine RM 103 million
(-) Operating cost	654.4		659.6	
(-) Haj financial support	213.5		315.9	
(-) Impairment & other losses	120.4	12.5x	1,507.7	
Profit before Zakat	3,479.7		1,722.0	
(-) Zakat	67.6		85.5	
Profit for the year	3,412.1		1,636.5	
(+) Equity trading gain*	-		377.9	
Distributable Profit	3,412.1		2,014.4	

* Equity trading gain is no longer recognised in Profit and Loss beginning 2018 with implementation of MFRS9; it is recognised as other comprehensive income.



NORMALISED FINANCIAL POSITION

Total asset surplus is achieved; Current assets expected to generate stable recurring income

Unaudited Balance Sheet as at 31 Dec 2018

Before hibah distribution (RM billion)

TOTAL ASSETS

76.5

- **Fixed Income Instruments** (incl. Money Market) **35.1**
- **Instruments from UJSB** **19.9**
- **Equities** (incl. strategic investments) **14.5**
- **Investment Properties** **6.1**
- **Other Assets** **0.9**

TOTAL LIABILITIES

75.5

- **Total Deposits** **74.5**
- **Other Liabilities** **1.0**

Total Asset Surplus (before hibah)
RM 1.0 billion

... quarterly reporting to keep depositors continuously informed of **TH**'s financial & operational performance moving forward for greater transparency and accountability



RECAP

- 1 Deficit has been closed**
Hibah can be paid in accordance to the TH Act
- 2 All impairments have been made**
The worst is over – no more negative surprises expected
- 3 Balance Sheet is now healthy**
Stable recurring income moving forward
- 4 Annual allocation from the Government**
Ensuring ability of SPV to redeem all Sukuk given support from annual development budget
- 5 First Right of Refusal**
Preserving *TH*'s right over strategic assets after rehabilitation
- 6 Better Governance & Transparency**
Improved oversight, investment and risk management

2018 Distributable Profit
RM 2.0 billion

Total Asset Surplus (before hibah)
RM 1.0 billion



TERIMA KASIH
