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TH CEO refutes RM3b deficit claim

KUALA LUMPUR: Tabung Haji (TH) chief executive officer Datuk Johan Abdullah has clarified the allegations made against TH, including claims that it is in a RM3.09 billion + fund deficit.

He said the figure represented unrealised losses of the pilgrimage fund's investments in the equity market. They were not required to be set off against the total profit of the year.

He said, in accordance with the Malaysian Accounting Standards MFRS139, any gain or loss arising from changes in fair value was recognised through other comprehensive income until the securities were sold, disposed or impaired.

"In relation to accounting for depreciation of share value, TH has made the necessary provisions where applicable," he said at a media briefing here yesterday.

Johan also dismissed allegations that TH did not have enough money to repay depositors if they all withdrew money at once, adding that the bonus payment was from TH's operating profit and was not based on the depositors' savings net increase.

"Depositors are free to withdraw or increase their savings at any time

without limits or conditions for various reasons including pilgrimage and personal use."

Johan said savings in TH were guaranteed by the government under the Al Wadiah Yad Dhamanah savings principles.

"In 53 years of operations, TH has never failed to fulfil its obligations to meet requests for withdrawals by its depositors."

Johan said TH was transparent in its financial disclosure published in the TH Annual Report 2015, which had been given a clear audit status by the Auditor-General's Department.

As of Dec 31 last year, TH's total net savings stood at RM4.97 billion, the total inflow of deposits minus all withdrawals.

Johan said TH was in a position to honour all obligations if needed, as its realisable assets stood at RM64.74 billion.

"TH recorded a net assets surplus of RM1.44 billion for the same period," he added.

He urged certain quarters to not politicise the matter further, which could amplify public concerns and might lead to misunderstanding over the pilgrimage fund's financial status.



Tabung Haji chief executive officer **Datuk Johan Abdullah** at the media briefing at the Tabung Haji building in Kuala Lumpur. Pic by Muhd Asyraf Sawal