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Tabung Haji sees fund size hitting RM50b

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PETALING JAYA: Pilgrims fund Lembaga Tabung Haji is confident of growing its fund size to RM50 billion by the end of this year.

Group managing director and chief executive officer Datuk Ismee Ismail said Tabung Haji's consistently strong annual dividends will be the main driver for the growth.

"I won't be surprised if the fund reaches RM50 billion this year as more people are confident of putting their money with us," he said after the launch of Tabung Haji's risk management plan workshop, here, yesterday.

Also present was Malaysian Anti-Corruption Commission chief commissioner Tan Sri Abu Kassim Mohamed.

Ismee said as of two weeks ago, Tabung Haji had 8.3 million depositors with a fund size of RM45.6 billion.

It recently announced a six per cent annual bonus and an additional two per cent haj bonus in its financial year ended December 31 2013.

The six per cent annual bonus was three percentage points above the rate for fixed deposit accounts at Islamic and conventional banks.

Ismee said Tabung Haji will continue to invest in its three main businesses, namely equities, property and fixed income, this year.

"We will be quite active in the property sector locally and abroad," he said, adding that the depreciation of the ringgit against major currencies will not dampen its interest in properties overseas.

He said Tabung Haji is looking at those investments with a long-term view and if the properties could provide the organisation with recurring income, they are worth buying.

On the local front, it is looking at commercial properties outside the Klang Valley, and this could include Iskandar Malaysia in Johor.

→ Turn to B3

Ismee: No big impact from SC ruling

→ From B1

On the purchase of Unilever's headquarters in Surrey, England, Ismee said the deal has been concluded and Tabung Haji will soon generate rental income from the fully-occupied three-storey office building.

The deal cost Tabung Haji £75 million (RM414.4 million) and is its third major asset buy in England and the first outside central London.

On whether Tabung Haji is affected by the Securities Commission's revised syariah-screening methodology, Ismee said it will dispose of some non-syariah-compliant stocks while others have been given time to become syariah-compliant. "Overall, there is no big repercussion for us," he said.

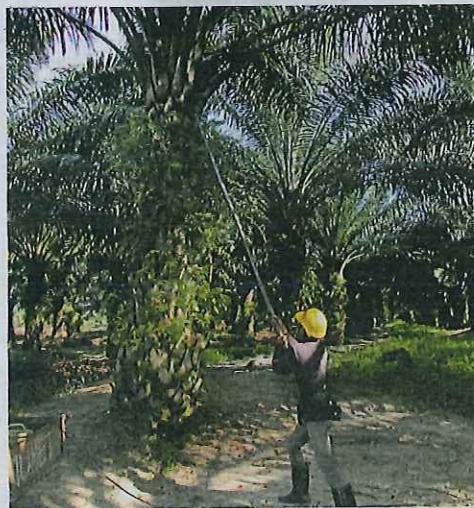
On rising hotel rates in Mecca, Saudi Arabia, which could see Malaysian haj pilgrims paying more, Ismee said: "Tabung Haji is tasked with handling pilgrimages and the costs are rising, but we are not sure when these costs will be passed on to the pilgrims."

TARIKH	14 / 2 / 2014	SECTION	NATIONAL
MUKA SURAT	7	RUANGAN	PRIME NEWS

BLESSED YEAR FOR HAJ SAVERS



Tabung Haji will continue to focus on investments that give continuous recurring income, such as properties like hotels (top) and plantations (below).



ENCOURAGING RETURNS: Depositors get RM2.6b bonus after revenue grew by 34 per cent last year to RM3.7b

LEMBAGA Tabung Haji (TH) declared a six per cent annual bonus for its depositors last year, as well as an additional Haj bonus of two per cent.

The amount is three percentage points above the rate for fixed deposit accounts at Islamic and conventional banks.

The bonuses, amounting to a total payout of RM2.6 billion, were announced by Minister in the Prime Minister's Department Datuk Seri Jamil Khir Baharom recently.

The company's revenue grew 34 per cent last year, amounting to RM3.7 billion, and this was a record as it was the first time the figure surpassed the

RM3 billion mark, as well as securing more than RM2 billion in net profit for the second time in a row.

The payout is an increase of 14.3 per cent from the RM2.1 billion in 2012, and net profit increased by 26 per cent to RM2.6 billion.

Group managing director and chief executive officer Datuk Ismee Ismail says he is confident that TH will be able to maintain its performance in the coming year.

"We are cautiously optimistic of maintaining this positive revenue trend with the right investment strategies."

TH has a total of 8.3 million depositors with a fund size of RM43.1 billion. Of the 8.3 million depositors,

Lembaga Tabung Haji has a total of 8.3 million depositors with a fund size of RM43.1 billion. (Inset) The additional Haj bonus will be disbursed to depositors to increase their savings to perform the Haj.

7.7 million, or 93 per cent, have yet to perform the Haj.

The additional Haj bonus will be disbursed to these 7.7 million depositors. It is aimed at assisting them to increase their savings to perform the Haj.

Last year, TH's investment assets grew to RM47.9 billion, up 20 per cent from RM39.8 billion in 2012, because of more investments and savings from depositors.

This figure also represents a value creation of RM11.8 billion to depositors' funds since 2006.

Jamil says TH's bonus rate is competitive considering that its investment profile is limited as it is a syariah-compliant company, while savings are voluntary and without limit.



Ismee says the company will continue to focus on investments that give continuous recurring income, such as equity, fixed income and property.

TH's income is mainly derived from equity trading, properties, fixed income, money market and other financial instruments.

It plans to generate more investments in the property sector as it seeks to generate more recurring income to ensure its future sustainability.

"Other than fixed-income, our in-

vestment in the property sector has been generating recurring income for us. That is the reason the sector is important for our growth.

"Equity (trading) investment also generates a recurring income in the form of dividends, and for that, TH gives priority to companies with good dividends and dividend policies," Ismee says.

TH's foreign property investment portfolio includes the United Kingdom, Australia and Saudi Arabia.