



MEDIA RELEASE

LEMBAGA TABUNG ANGKATAN TENTERA ASSURES PUBLIC REGARDING RESERVE CONCERNS

*Net Positive Combined Reserve amounts to RM160 million with
Book Value Solvency Ratio above 100%*

KUALA LUMPUR, 8 MARCH 2024 – Lembaga Tabung Angkatan Tentera (“LTAT”) refers to recent discussions surrounding its reserves as highlighted in the Auditor-General's Report on Federal Agencies 2022 and seeks to provide clarity on this matter.

We wish to clarify that the negative Reserve of LTAT duly highlighted, is the Other Comprehensive Income (“OCI”) Reserve, which is just one facet of the Combined Reserve. LTAT’s **combined reserve is composed of three components**, namely, Retained Earnings, Reserve Fund, and OCI Reserve, which, in combination reflects our financial stability.

The Reserve Fund remains constant, set at 2% of contributors’ account balance, providing a foundation for our financial security. The OCI Reserve comprises the accumulated unrealized gains/losses of assets tagged as FVTOCI (Fair Value Through Other Comprehensive Income), reflecting market fluctuations and asset performance.

Despite the OCI Reserve showing a deficit, the Combined Reserve at the end of Financial Year 2022 (“FY22”) amount to a **net positive balance of RM160 mil, representing an improvement from the preceding year**. The unaudited post-dividend Combined Reserve for Financial Year 2023 will see further improvement, reflecting LTAT’s commitment to its transformation journey towards strengthening its financial position.

This Net Positive Reserve position leads to a **Book Value Solvency of above 100%**, affirming that our **Net Assets at Book Value surpasses the total contribution by our members**.

In regard to the issue of non-cash profit contributing to our income for FY22, **the exclusion of it still maintains a solvency position above the threshold required within our dividend policy**. As a retirement fund, our dividends when declared are non-cash in nature and are credited to members’ accounts. Thus, LTAT’s liquidity position remains stable, ensuring we can fulfil all commitments as they arise.

LTAT remains committed to transparency, accountability, and the well-being of the contributors and beneficiaries. **We will continue to uphold the highest standards of governance and financial management to safeguard the interests of all stakeholders**. In this regard, LTAT will engage with relevant stakeholders to address any queries or issues pertaining to our reserves and/or other pertinent matters concerning the sustainability of the fund.

Conclusively, LTAT's Reserves are subject to rigorous oversight and are managed in accordance with regulatory requirements under our governing Act. LTAT assures the public that it remains financially robust and capable of fulfilling its obligations.

About the Lembaga Tabung Angkatan Tentera (LTAT)

Established in August 1972 under the Armed Forces Fund Act (also known as Act 101), the Lembaga Tabung Angkatan Tentera (LTAT) is a statutory body which manages the pension fund for officers and members of other ranks of the Malaysian Armed Forces (ATM) and the veterans. The latest amendment to the Act was made on 1 November 2022.

As of 31 December 2023, LTAT had assets under management of close to RM11.54 billion. LTAT declared a 5% dividend for members in 2022 after paying 4.1% in 2021, 3.5% in 2020, 2.5% in 2019, and 2% in 2018.

MEDIA CONTACT:

Izzat Alhadjri

Director

Head, Communications

Email : izzat.alhadjri@ltat.gov.my or comms@ltat.gov.my

Tel : +603-48158888

Website : www.ltat.gov.my