

PNB declares strong dividend for ASB unit holders

THE restructuring in several PNB main investment companies has started to bear fruit.

Group chairman Tan Sri Abdul Wahid Omar says the restructuring exercises have helped the fund to outperform the broader stock market. The largest fund management firm in the country saw a 7.1% increase in net income to RM15.4bil during the first 11 months of the year, which allowed it to boost returns for its flagship fund Amanah Saham Bumiputera (ASB) to a three-year high.

"The growth was driven by stronger-than-expected economic growth and the successful implementation of PNB's strategic plan," Wahid told reporters at a briefing yesterday.

In 2016, the fund paid a total of RM15.28bil in net income to its unitholders, which was 2.5% lower than a year earlier, dragged by the broader weakness in the

local equity market performance.

Assets under management at PNB swelled to a new high of RM276.5bil in the first 11 months of this year.

A total of 98.1% of PNB's investment is in Malaysia, while the remainder 1.9% is overseas. Some 70.8% of its asset allocation is in equities, 2% in private equity, 5.6% in fixed income and 3.4% in property. It has some 17.9% lying around in cash.

"It has been an impactful year for us at PNB and I am happy that we are able to announce a higher income distribution for ASB unit holders today, including a special bonus," he says.

He was speaking to reporters at the fourth quarter briefing and announcement of PNB's dividend payout for 2017 yesterday.

The FBM KLCI is among the worst performing markets in the region. The benchmark FBM KLCI had been flattish in the

third quarter of the year.

On a year-to-date basis, the local equities market is up by more than 7%.

Other markets, such as the Hang Seng in Hong Kong and Kospi in South Korea, are up more than 30% and 18%, respectively.

"Despite a softer local market in the second half of the year, the majority of PNB's strategic and core companies outperformed the KLCI," Wahid says.

The top performer for the fund was Malayan Banking Bhd, in which the fund has a 48% stake. The bank's market value has risen 19% so far this year, hovering at RM101bil. Sime Darby is up 4.7% year-to-date. Wahid reiterates the fund is looking to boost its assets under management to RM350bil by 2022.

PNB is targeted to achieve close to RM280bil by year-end, boosted by the sale of an office building in Brisbane, Australia.

It is currently finalising the sales of its 100% interest in Santos Place for A\$370mil to Singapore's sovereign wealth fund GIC.

PNB acquired Santos Place – a six-star Green Star, Premium A-Grade 37-storey building at 32 Turbot Street – in 2010 for A\$290mil. It was the firm's first overseas property investment.

PNB president and group CEO Datuk Abdul Rahman says the proceeds from the sale would be utilised for the next overseas investment. PNB will distribute 8.25 sen a unit for ASB for the year ending Dec 31, 2017, comprising a dividend of seven sen a unit, a bonus of 0.25 sen a unit and a special bonus of one sen a unit for up to 10,000 units.

The total distribution of RM10.7bil will benefit 9.1 million unitholders. The majority, numbering 7.5 million, will get an effective return of 8.25 sen.