



BACHELOR OF BUSINESS
ADMINISTRATION (HONS.)
FINANCE

MGT666
**INDUSTRIAL
TRAINING
REPORT**

PERIOD: 12 AUGUST 2024 - 24 JANUARY 2025

PREPARED BY:

Muhammad Syahmi Bin Kamalludin

PREPARED FOR:

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STUDENT ID:

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SURAT KEBENARAN

Tarikh : 24/1/2025

Kepada :

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Maklumbalas (/)



Setuju



Tidak Bersetuju

Tuan/Puan

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No. Matriks	2022659782	Nama Program	BAJAH SARJANA MUDA KEWANGAN
Tajuk Laporan	INDUSTRIAL TRAINING REPORT	Nama Syarikat	LEMBAGA TABUNG HAJI

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Yang Benar



.....
Nama Pegawai :

Jawatan : MOHAMAD IKHWAN BAKREN
No. Tel. : Head Investment Research
No. Faks : IEMBAGA TABUNG HAJI

Cop jabatan/organisasi:



EXECUTIVE SUMMARY

This report is mainly prepared to show and summarize the whole 6-month internship experience at Lembaga Tabung Haji, specifically under Investment Department. This report primarily outlines the tasks, responsibilities and assignments that I have been assigned. My responsibilities include managing investment documentations, processing transactions, and liaising with most Divisions in Investment Department. The training underlined the organised and professional atmosphere at Tabung Haji, emphasising timeliness, collaboration, and compliance with elevated standards in providing financial services. It has expanded the learning experience and underscored the significance of adaptation and multitasking in a dynamic work environment.

A detailed summary of Lembaga Tabung Haji's profile is shown, which covers the essential of development of the company and the list of products and services offered to the customers. Basically, the main products and services of Tabung Haji are it acts as a saving institution, investment services and particularly it serves as the only Hajj management for Malaysian Muslims.

Apart from that, this report also outlines the SWOT Analysis of Tabung Haji which was conducted based on the observation and advised by the Supervisor-in-Charge. The primary purpose is to assess the performance improvement and planning with risk management of Tabung Haji in making a new development to the Islamic finance sector. Tabung Haji itself is a prominent institution to Malaysia which makes a significance contribution to the Malaysian Muslims' economy.

In conclusion, the industrial training effectively connected academic knowledge with practical applications, enhancing both technical and interpersonal skills. The report emphasises the personal and professional development attained during the internship and significant insights into the operations of a prominent Islamic financial organisation. This expertise has established a robust platform for future ambitions in Islamic finance and investment management ambitions.

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ACKNOWLEDGEMENT

First and foremost, I would like to be thankful and express my gratitude to Allah S.W.T, The Most Beneficent and The Most Merciful, for all the blessings given throughout my internship journey. Without His Blessings, my internship journey and this report would not have been done successfully. I also would like to express my gratitude to Him for easing my way whenever I am going through hardships while completing my industrial training. Nothing more could compare to how thankful I am for all His Kindness.

Secondly, I would like to express my sincere gratitude and special thanks to my advisor, Puan Siti Nurulhuda Binti Ibrahim, for providing such great and complete guidance for me in finishing this report. It is such great assistance with continuous monitoring and updates regarding industrial training. The monitoring keeps me aligned with my internship journey and the completion of this report. Without her guidance and assistance, I might lose my way to finish this report. Therefore, I hope this whole report provides full satisfaction to all readers.

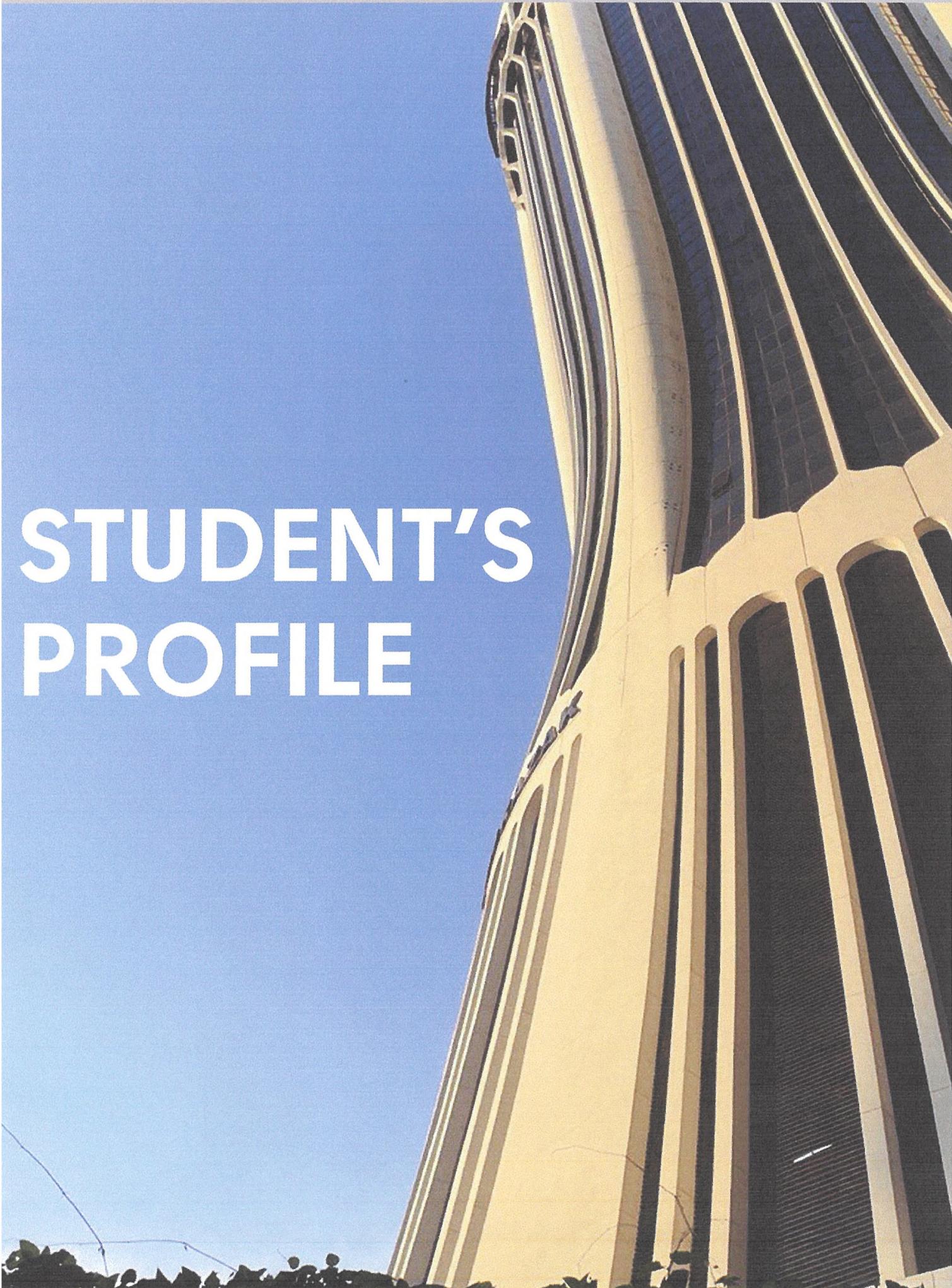
Thirdly, I want to express my gratefulness and appreciation to all employees of Lembaga Tabung Haji, especially to the Investment Department, for welcoming and allowing me to finish my industrial training at Tabung Haji. This special gratitude also goes to Puan Hajah Mai Suzana, my Direct Supervisor and her Assistant Manager, Puan Nurul Huda Hassan, for providing me with the opportunity to join events and trainings for me to learn and experience the real corporate world, including taking part in evaluating my whole internship journey. Without their approval, there is nothing to learn.

Lastly, I also want to express my appreciation to my family, particularly both of my parents, for supporting mentally and physically throughout this journey. This applies not only to my internship but also to my whole education journey. Their unwavering support and encouragement have been tremendously appreciated throughout the process.



TABUNG HAJI
حي على الفلاح

STUDENT'S PROFILE





MUHAMMAD SYAHMI BIN KAMALLUDIN

PROFILE SUMMARY

A motivated and detail-oriented Finance graduate with a CGPA of 3.62. Possesses strong analytical, financial, and technical analysis skills refined through academic excellence and hands-on internship experience in investment operations. Demonstrates exceptional leadership, project management, and problem-solving abilities developed through extracurricular involvement and professional engagements. Passionate about leveraging expertise in finance and investment to contribute effectively to organizational success.

EDUCATIONAL BACKGROUND

2022 - 2025 | Universiti Teknologi MARA, Kampus Bandaraya, Melaka

Bachelor of Business Administration (Hons.) Finance | CGPA: 3.62

Major subject : Financial Market and Banking Theory | Advanced Corporate Finance | Investment and Portfolio Analysis | Technical Analysis

2020 - 2022 | Universiti Teknologi MARA, Kampus Segamat, Johor

Diploma in Banking Studies | CGPA: 3.84

Major subject : Risk and Insurance | Banking Operations | Financial Analysis | Legal Aspects and Ethics in Banking

2022 | Malaysian University English Test (MUET)

Band: 4.0

WORKING EXPERIENCE

Internship Student (Investment Operations), Lembaga Tabung Haji, Kuala Lumpur

August 2024 - January 2025

- Being assigned under Investment Process Administration Unit which responsible to assist the officer(s) to manage investment and legal administration process for all portfolio transactions in the Department ie. AGM/EGM/Sukuk CR proxy form, capital commitment/distribution fee, sukuk subscription, share placement and etc.
- Involved and participated in investment related trainings organized by the Division in the Investment Department and weekly Monday Morning meeting as part of portfolio management meeting.
- Involved indirectly under Governance, Reporting and Management Unit on Department Event Management (ie. act as an Emcee for Mahabbah & Silaturrahim Program) and part of editorial team for Investment Department THINQ Bulletin.
- Being assigned under Data Administration and Secretarial Unit to assist officer(s) in monitoring AGM/EGM/Sukukholders meeting announcement as well as play as partial Secretariat role for Investment Working Committee.

Cashier and Merchandiser, Petronas Bandar Seri Putra, Kajang, Selangor

February 2023 - March 2023

- Assisted customers with payments of fuel and goods, ensuring a seamless transaction process.
- Managed cash efficiently at the counter, maintaining accuracy and security.
- Organized stocks by type, optimizing inventory management for quick access.
- Maintained a clean work environment, promoting a positive customer experience.

EXTRACURRICULUR ACTIVITIES

Vice President II, Finance Student Association

Universiti Teknologi MARA, Kampus Bandaraya Melaka | March 2023 - March 2024

- Assisting President by worked closely with the President to ensure the smooth functioning of the club.
- Provided support in decision-making, planning, and executing club activities.
- Stepped in to lead club meetings or events in the absence of the President with capabilities of providing leadership and guidance to other club members when necessary.

Special Task Secretary, Jawatankuasa Perwakilan Kolej Kediaman A

Universiti Teknologi MARA, Kampus Segamat | April 2021 - February 2022

- Managed and assisted students admission to hostel according to their placement efficiently and effectively.
- Collaborate with other committee members in organizing college events for students to participate.
- Responsible with tasks related to ordering, preparing, serving, and ushering foods for VIP guests for every college events organized.
- Responsible in designing and editing participants' e-certificate using related software.

AWARDS/ACHIEVEMENTS/CERTIFICATIONS

- Degree Dean's List Award | Semester 2, 4 & 5
- Degree Best Student Award (Finance) | Semester 2
- Vice Chancellor Award | Diploma
- Diploma Dean's List Award | Every Semester
- Vice President II Certificate of Finance Student Association | Degree
- Project Leader of Shooting for the Star Certificate | Degree
- Moderator of Finance Student Association Annual General Meeting | Degree
- First-Class Certificate of Jawatankuasa Perwakilan Kolej Kediaman A | Diploma

KNOWLEDGE & SKILL PROFICIENCIES

Soft Skills

- Communication
- Project Management
- Leadership
- Decision Making

Technical Skills

- Microsoft Office
- Canva
- ChartNexus
- Social Media

Languages

- Malay | Native
- English | Proficient
- Arabic | Basic

REFERENCES

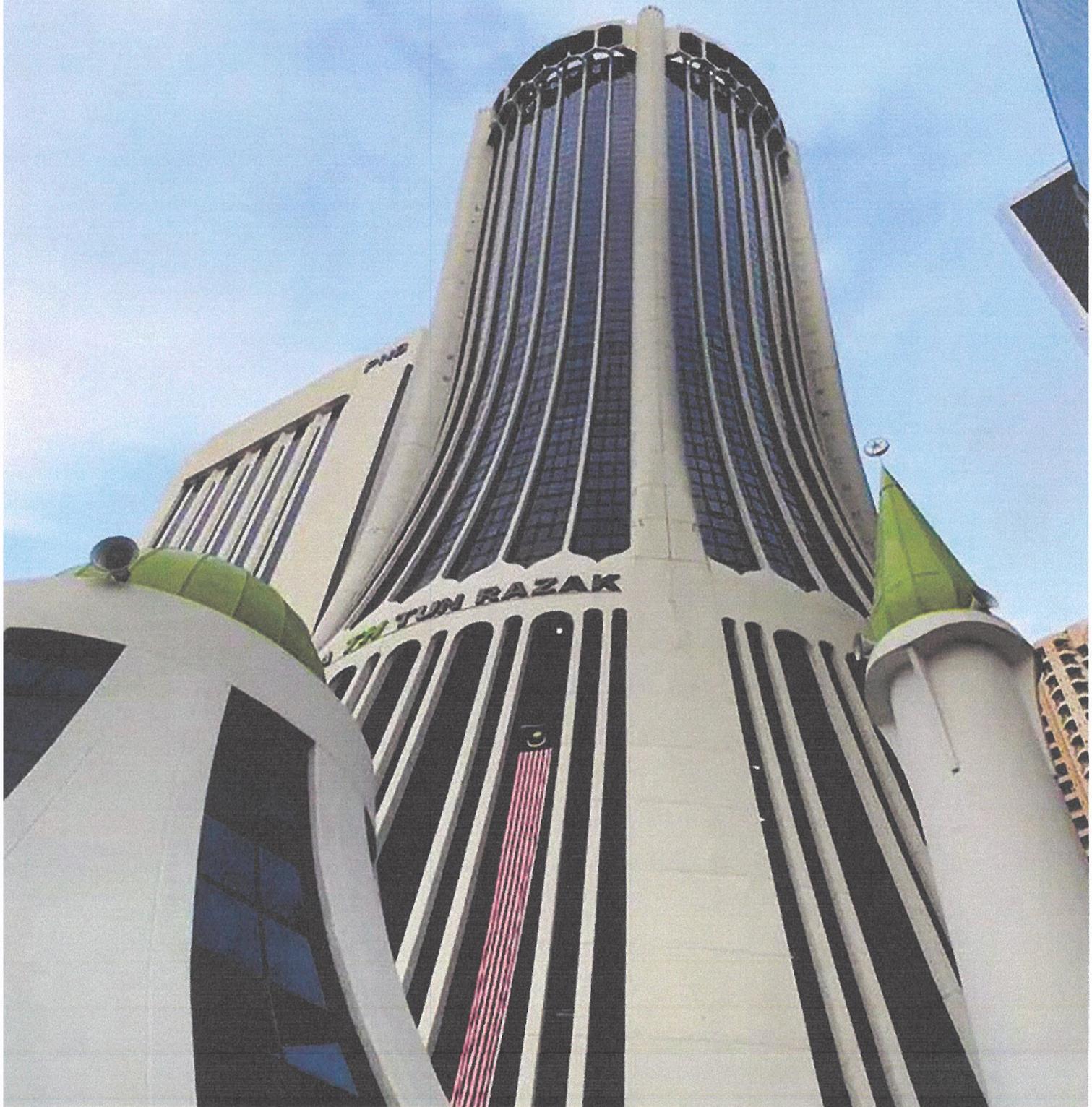
Mai Suzana binti Abdul Rahim Halili
Lembaga Tabung Haji
Head of Investment Operations

Nurhaslinda binti Hashim
UiTM Kampus Bandaraya Melaka
Academic Advisor/Senior Lecturer



TABUNG HAJI
حى على الفلاح

COMPANY'S PROFILE



COMPANY'S PROFILE

COMPANY'S NAME:

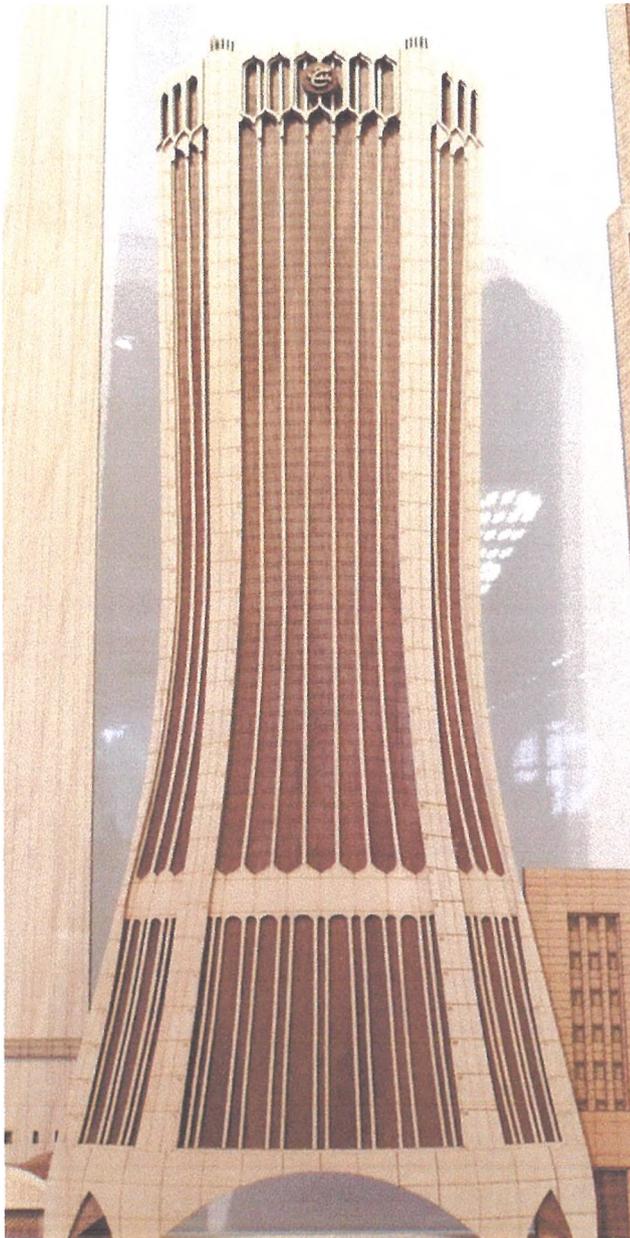
Lembaga Tabung Haji

COMPANY'S LOCATION:

Menara TH Tun Razak, 201 Jalan Tun Razak, 50400 Kuala Lumpur

COMPANY'S BACKGROUND:

Lembaga Tabung Haji was established in 1969. The main purpose of its establishment is to assist the Malaysian Muslims who intend to perform Hajj and to serve as a savings institution including managing the funds. It became operational in 1969 and marked a significant development in providing financial and administrative services for Hajj needs in Malaysia.



In the late 1950s, Royal Professor Ungku Abdul Aziz, an economist, pointed out that the Malaysian Muslims had problems saving for the Hajj, especially those in rural areas. Many of them had to sell off their properties or use other non-Islamic ways of saving. To solve this problem, he suggested an Islamic mode of saving through which Muslims could save their money safely and systematically and get a Halal profit.

Perbadanan Wang Simpanan Bakal-Bakal Haji (PWSBH) was founded by the government in 1963. It was established under the Government Savings Bank Act to help the cause of Ungku Abdul Aziz. The organisation's objectives were to help the Muslims save for Hajj and create more Shariah-compliant investment opportunities to manage and coordinate the pilgrimage.

Tabung Haji offers many Islamic financial services, including Hajj travel, halal investments and a savings plan. These services are specifically designed to produce consistently significant sustainable returns.

COMPANY'S PROFILE

LTH'S VISION

Foundation of the Ummah's Economic Success; Exemplary Hajj Management

LTH'S MISSION

In achieving the vision of Tabung Haji as a whole, they committed to accomplish it by striving through these missions:

- 1. Empowering the Ummah's Economy.***
- 2. Actively Pursuing Strategic Investments Globally and Locally for Sustainable Growth.***
- 3. Mobilizing and Enriching Depositors' Capital.***
- 4. Providing Consistently Excellent Services.***
- 5. Facilitating and Perfecting Pilgrims' Journey Towards Hajj Mabrur.***
- 6. Delivering Competitive, Halal, and Toyyiban Returns.***

THE GOALS

In achieving the vision of Tabung Haji as a whole, they committed to accomplish it by striving through these missions:

- 1. Empowering the Ummah's Economy.***
- 2. Actively Pursuing Strategic Investments Globally and Locally for Sustainable Growth.***
- 3. Mobilizing and Enriching Depositors' Capital.***
- 4. Providing Consistently Excellent Services.***
- 5. Facilitating and Perfecting Pilgrims' Journey Towards Hajj Mabrur.***
- 6. Delivering Competitive, Halal, and Toyyiban Returns.***

COMPANY'S PROFILE

ORGANISATIONAL CHART



Syed Hamadah Syed Othman
*General Managing Director &
Chief Executive Officer*



Muhamad Fairuz Nazmi
Executive Director of Investment



Mai Suzana Abdul Rahim Halili
Head of Investment Operations



Nurul Huda Hassan Mohd Habibullah Hassan
Assistant Manager (GRM)



Intan Shafinaz M. Buhri
Executive (GRM)



Umami Rashidah Ismail
Executive (DAS)



Abdul Hisham Abdul Malek
Executive (OAL)



Nurul Afiah Yusri
Executive (IPA)



Nurfarahi Kamsani
Officer (DAS)



Noraziah Ibrahim
Officer (OAL)



Asmahani Abd Aziz
Officer (IPA)



Kasmizan Salim
Assistant (OAL)



Ibnu Shaim Abd Min
Assistant (Covering IPA)

Indicator

GRM: Governance, Reporting & Management

DAS: Data Administration & Secretarial

OAL: Office Administration & Logistics

IPA: Investment Process Administration

COMPANY'S PROFILE

PRODUCTS & SERVICES

Saving Institution

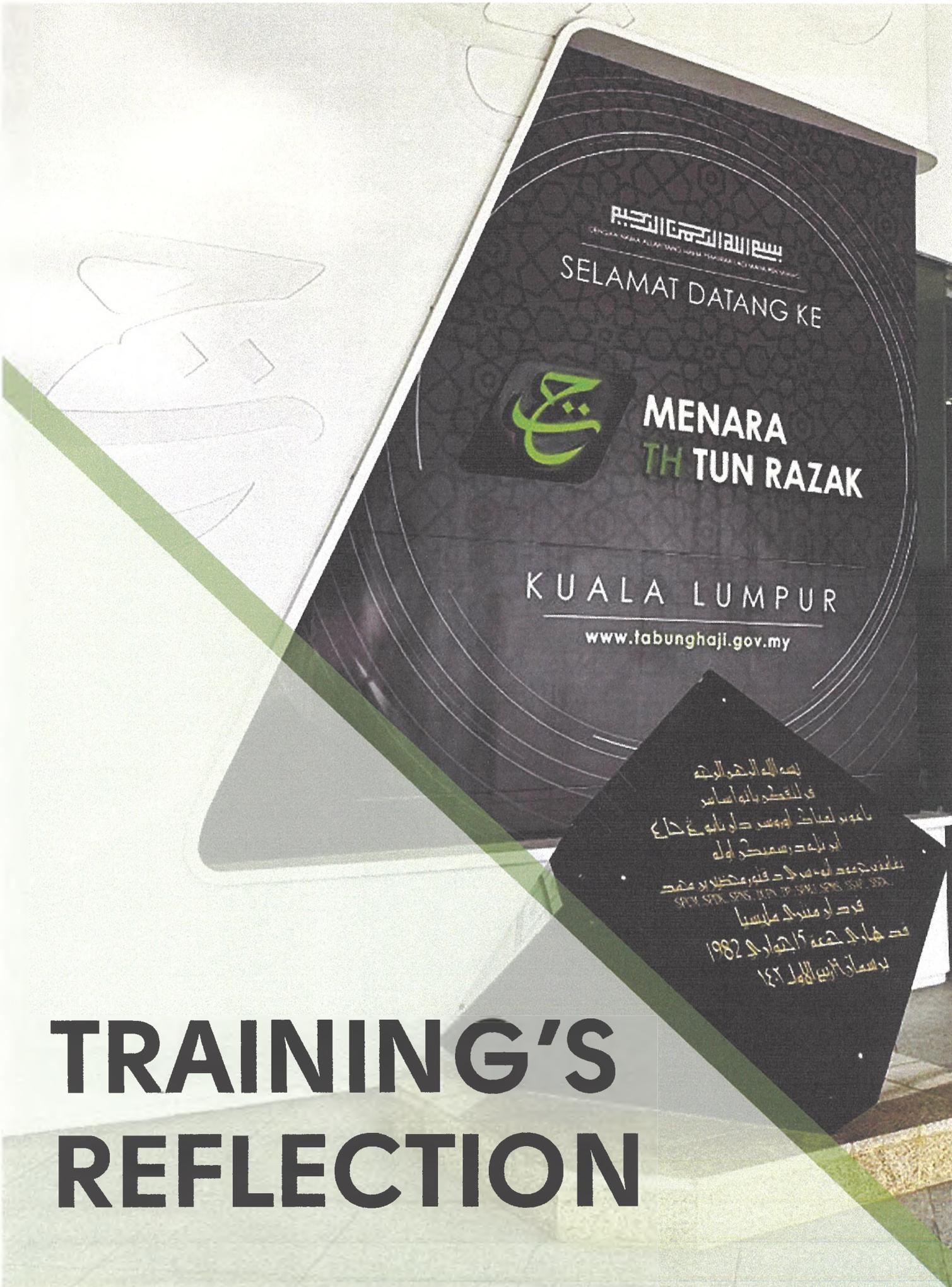
Tabung Haji provided **savings services to its customer** to serve the primary purpose of its establishment. They offer Shariah-compliant savings plans for the Muslims who are planning to perform Hajj. The money in this account will be invested in the Shariah-compliant portfolios, and the contract used is a **Wakalah** type of contract. Deposits to the account can be made in different ways, including ATMs, online banking, mobile application and *TH* counters.

Hajj Services

Tabung Haji serves its customer with **Hajj registration** where this service comes with its main purpose of establishment. Queue system is implemented where the priority is given. Saudi government will determine the quotas availability of Hajj. Moreover, this service also including Hajj management where Tabung Haji will organize the whole Hajj operations during the pilgrimage. Tabung Haji offers to subsidize costs for eligible pilgrims which the funds will be from the government.

Investment Services

Tabung Haji also offers their services by managing its savings pool through **investments** in Shariah-compliant financial instruments, properties, and businesses. Profits from these investments are distributed as dividends and bonuses to account holders, which also can be considered as Hibah as Tabung Haji has announced the usage of the Wakalah contract. This service is created to ensure sustainable financial growth for the company and its customers.



بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ
SELAMAT DATANG KE

 **MENARA
TH TUN RAZAK**

KUALA LUMPUR
www.tabunghaji.gov.my

بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ
فِي الْقَطْرِ بِنَاءهُ أَسَاسٌ
بَاعُونَ لِمَنَابِتِ الْوَهْدِ دُونَ بَالِغِ دَارِ
أَبُو بَالِغٍ دَرَسَمُكَ بُولَهُ
بِنَاءُهُ جَمْعُهُ لَوْ صَدَّقْتُمْ وَمُتَّظَرُهُ مَعْتَدٌ
فَدُونَ مَسْجِدِ الْمَلِيحِيَا
فَدُونَ هَارِ الْخَصَّةِ الْاَقْوَامِ ١٩٨٢
بِدَهْسَانِ اَزْبِنِ الْاَوَّلِ ١٤٢١

TRAINING'S REFLECTION

TRAINING'S REFLECTION

DURATION: SPECIFIC DATE, WORKING DAY & TIME

Reflecting on my internship journey, it is such an honor to get the chance to experience my industrial training at **Lembaga Tabung Haji**. My industrial training needed to be completed within **24 weeks**, starting from **12 August 2024** until **24 January 2024**.

At Lembaga Tabung Haji, I was placed in **Investment Operations Division** under Investment Department, **supervised by Puan Mai Suzana**, Head of Investment Operations. **My office was on Level 28**, the main Investment Department floor with other Investment Divisions, such as Domestic Equity and Fixed Income.



As an intern at Lembaga Tabung Haji, my **attendance has been strictly recorded by the thumbprint system**. Every late in or early out should be reported with reasonable excuses to my supervisor.

Therefore, the Human Resource Department has coordinated for the interns to **clock in at 8.00 a.m. and clock out at 5.00 p.m.** of working hours. The **working days will be from Monday until Friday**.

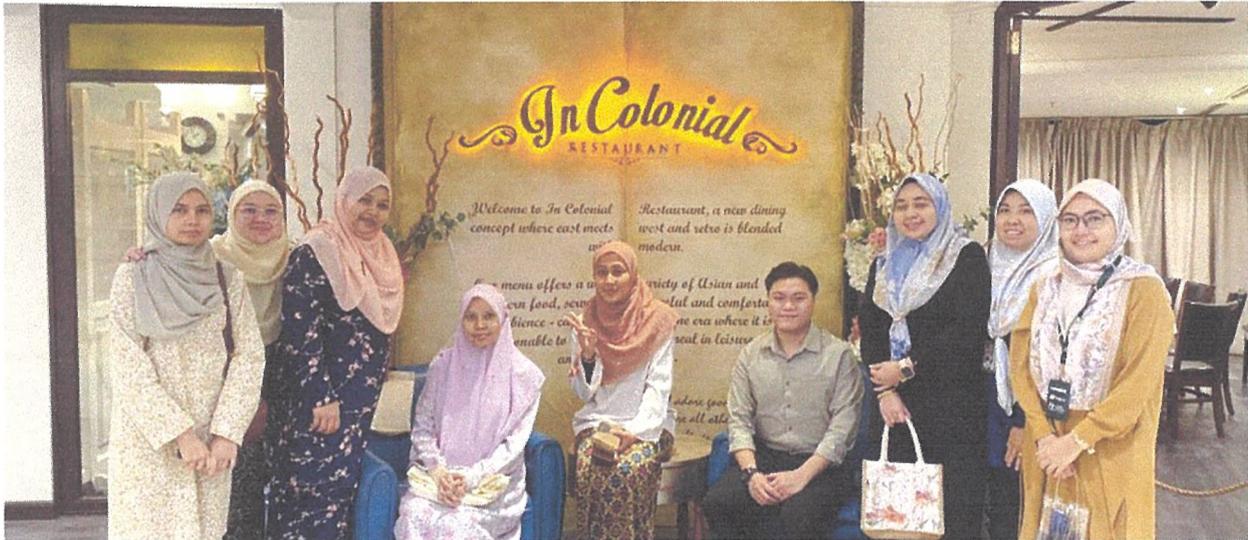
Employees are eligible for flexible time where they are free to clock in from 8.00 a.m. until 9.00 a.m. and will clock out when they have completed the nine hours of working regulations.

I feel welcome to be part of the organization here, as the employees are so friendly and greet each other. Besides, the employees are also helpful in explaining each task to be done.



TRAINING'S REFLECTION

DETAILS: DEPARTMENT



The company has assigned me to the **Investment Process Administration (IPA)** under the Investment Operations Division. Under the Investment Operations Division, there are other business units, each with a different job scope. The business units mentioned besides IPA are the Governance, Reporting, and Management Unit, the Data Administration and Secretarial Unit, and the Office Administration and Logistics Unit.

In Investment Process Administration, I have learnt to process all the essential documents and to keep track on the documentation which are related to the investments of Tabung Haji. Most of the divisions in the Investment Department will liaise and communicate with IPA Unit for investment processes and legal administration, including document management.

Process all portfolio transactions such as

- disbursement/distribution of private equity funds;
- Subscription and agreement of sukuk transactions and Initial Public Offering;
- proxy form for AGM/EGM/CR Sukuk
- Trading and Dealing Sheets

- To manage highly confidential documents such as Memo Menteri, agreement and share certificates.
- To manage a proper record of all investment and legal administration processes.
- Develop communication plans with the respective stakeholder of each asset class.



**INVESTMENT &
LEGAL
ADMINISTRATION
PROCESS**



**DOCUMENT
MANAGEMENT &
COMMUNICATION**

TRAINING'S REFLECTION

DETAILS: TASKS

MITI LETTER & REPLIES

- Assisted with processing a formal reply letter to the Ministry of Investment, Trade & Industry Malaysia for every company offer listed as an Initial Public Offering (IPO) on Bursa Saham Malaysia.
- Assisted with notifying the Person-in-Charge at Ministry of Investment, Trade & Industry on the replies from Lembaga Tabung Haji.

PROXY FORM FOR AGM/ EGM/ CR SUKUK

- Assisted in processing proxy form of companies which Lembaga Tabung Haji has holding. This process is the sequence process after meeting named as Voting Committee or Special Voting Committee takes place.
- Assisted with submitting the completed proxy form to related Company Secretary.

LETTER OF COMMIT MENT

- Assisted on the process of Sukuk purchase by drafting the Letter of Commitment as a reply to the related trustees and banks.
- A complete Letter of Commitment will be submitted to related banks.
- Confirmation and trade dates will be given by the banks and the process will continue with the Technical and Dealing Analysis Sheet.

AD-HOC TASKS

- My supervisor assigned me additional monthly assignments to enhance the investment knowledge and soft skills.
- Involved indirectly to Governance, Reporting and Management Unit of department event management.
- Engaged as part of the Investment Department THINQ Bulletin editorial team, a publication for second half of 2024.

TRAINING'S REFLECTION

DETAILS: ROLES, RESPONSIBILITIES & ASSIGNMENTS

Under the **Investment Process Administration Unit**, a few tasks and responsibilities have been given to me, and I am responsible for completing the tasks. It also includes additional assignments for me to complete from my direct supervisor, **Puan Hajah Mai Suzana**. My role is more on being an assistant and support to the Investment Process Administration Unit with **guidance from Puan Hajah Afiah** and **Puan Hajah Asmahani**. The mentioned and main tasks include replying to answers the Initial Public Offering (IPO) offer from the Ministry of Investment, Trade and Industry (MITI), processing proxies of companies, the Letter of Commitment process, and some ad-hoc tasks.

The **MITI reply process** took a few stages before its full completion. It will start with receiving the offer of IPO companies from MITI, where an email will be received from the person in charge at MITI explaining the details of the IPO company. IPA Unit will, then forward the email to the Investment Research Division to identify whether to accept or reject the offer. Usually, they will use the information from the invitation email and letter received from MITI to analyze that particular IPO company. Bloomberg and site visits are also tools used in their analysis and forecasts. The analysis includes the target share price, financial ratios, and financial statements. It will take about weeks to finalize their decision. Once the decision has been finalized, the answer will be passed to IPA Unit as a response to notify the person in charge at MITI.

Besides that, I am also tasked with **processing proxy forms of companies** in which Lembaga Tabung Haji holds shares. These proxies will be filled in with voting. In the event of this, the companies mentioned will arrange for annual general meeting (AGM), extraordinary general meeting (EGM) or circular resolution (CR) for Sukuk, and they will distribute proxy forms. Before filling in the related proxies, Voting Committee and Special Voting Committee Secretariat will arrange for a meeting with Tabung Haji's Investment meeting members to discuss the voting that is to be made. Once the meeting has settled, the result will be passed to the IPA Unit for the next course of action, which I will draft and finalise the proxy form with the voting discussed. The completed proxies will be submitted to the related company secretaries for them to bring to their arranged AGM, EGM or CR Sukuk.

TRAINING'S REFLECTION

DETAILS: ROLES, RESPONSIBILITIES & ASSIGNMENTS

Furthermore, I am assisting with **Sukuk trade of purchase and selling process**, which will also involve with formal reply letter, referred to as a **Letter of Commitment**. This process usually starts with receiving an invitation letter from related investment banks by email confirming there will be trades of Sukuk. However, it is only subject to companies in which Tabung Haji holds their shares of Sukuk. This trade will involve the Fixed Income Division, with the IPA Unit assisting the whole documentation process. Therefore, I am tasked to draft the Letter of Commitment (LOC) and submit it to the Head of Fixed Income, double-checking all the information in the letter. Once the process done, the LOC will be forwarded to investment banks as notification upon agreed trade.

The process of LOC continued with the **Dealing and Technical Analysis Sheet process**, where I am responsible for assisting in keying the data received from the Dealer bank into Microsoft Excel. As the data were inserted, specific formulas with equal signs were used to simplify all the related calculations of the Sukuk Purchase and Sell. After finishing up the Dealing and Technical Analysis Sheet, the softcopy will be sent to the Fixed Income Department to double-check the process before submitting it to Mr. Shazreen Tajuddin, Head of Fixed Income, for authorization on the trade. In this part, I am also responsible for communicating and dealing with Treasury Division to submit the Money Preparation Form for ease of transaction on the trade process.

While the next task is referred as **ad-hoc tasks**. The tasks are **random** and will be assigned from my supervisor, Puan Hajah Mai Suzana, as the primary purpose is also to support. However, it is a task from other business units of the Investment Operations Division, such as the Governance, Reporting and Management Unit and Data Administration, and Secretarial Unit. The functions mentioned include monthly assignments and presentations, being appointed to be part of Editorial Team on the Department's THINQ Bulletin, being appointed as an Emcee to the Department's Mahabbah Q3 and Q4 program and being involved with pre-meeting preparation in the Investment Department tasked by the Data Secretarial and Administration Unit. By supporting these units with assigned ad-hoc tasks, it provides more insights into the overall investment department process of Lembaga Tabung Haji.

TRAINING'S REFLECTION

GAINS: INTRINSIC AND EXTRINSIC BENEFITS

Being placed at Investment Department in Lembaga Tabung Haji, I was provided with a pleasant workplace and comfortable surroundings accommodated with a chair and a large desk, including air-conditioned office. The company also provides me with a laptop set and other office needs such as stationaries and supplies. This includes a company notebook for me to write my regular notes. Further, I am being paid a monthly allowance of RM45.45 per day. Therefore, in a month I would receive as much as RM800-RM900, and I find this allowance is adequate and reasonable for me as a student to cover my living and transportation costs.

Besides that, Lembaga Tabung Haji also provides a pantry accommodated with water filter and pantry essentials for every floor inside the building. All employees, including me as an Intern, can use it. Apart from that, there is also a snack corner with various snacks placed in an area for the employees. They referred to it as "*Coffee Corner*". The other facilities provided in this building include a gym and health facilities. All of these facilities are prepared for the welfare of the employees and to boost their quality of work, which I am also entitled to.

Intrinsically, I have gained various internal values as my skills are developed based on the tasks I finish, training, and meetings I attend. Throughout my internship, the development of my skills has increased in terms of practical skills, where I can apply my academic knowledge in completing my tasks, especially in Islamic Finance and Investment. Technically, I can learn using Bloomberg, a new software and expertise to experience. On the other side, I have also sharpened my soft communication, decision-making, and time management skills as I am deal with important documents that play with urgency, deadlines, and liaison.

The other intrinsic gains include real-world working experience and networking exposure. Being an Intern at Lembaga Tabung Haji has exposed me on how to work and deal with other employees who have connections outside the office. Those also exposed me to handling conflicts, and with that exposure, I am able to build my connections and network. These internal values I gained would not be reached without knowledgeable and experienced employees who are not hesitant to guide me throughout my internship journey.

SWOT ANALYSIS

SWOT ANALYSIS OF LEMBAGA TABUNG HAJI

<h3>Strengths</h3>  <ul style="list-style-type: none">✓ The only Hajj Management in Malaysia✓ Strong Financial Performance	<h3>Weaknesses</h3>  <ul style="list-style-type: none">✓ Lack of International Investment Experts to Cover on Certain Region✓ Less Job Rotation
<h3>Opportunities</h3>  <ul style="list-style-type: none">✓ Government's Provision of Subsidy✓ Technological Advancements	<h3>Threats</h3>  <ul style="list-style-type: none">✓ Escalating Expenses of Hajj✓ Currency Fluctuations



TABUNG HAJI
بي على الفلاح

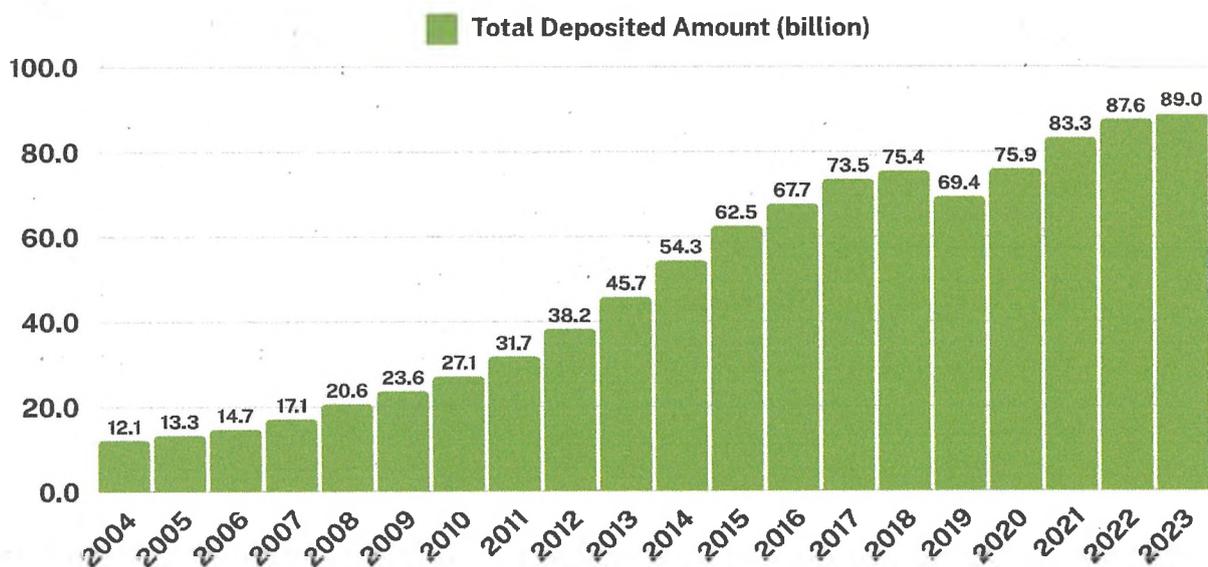
DISCUSSION & RECOMMENDATION

DISCUSSION ON SWOT ANALYSIS

STRENGTH: THE ONLY HAJJ MANAGEMENT IN MALAYSIA

Lembaga Tabung Haji (TH) occupies a distinctive role in Malaysia as the exclusive entity to be tasked with only Hajj Management in Malaysia. This status that considerably enhances its strengths in a SWOT analysis. The exclusivity is established by the Tabung Haji Act 1995, which confers upon Tabung Haji a monopoly on Hajj services. It prohibits other entities from offering comparable services without its approval. The Act mentions that Tabung Haji shall have power to manage the Hajj Management as a whole, which prohibits any other persons or businesses from offering Hajj services without the Minister's approval.

This legislative structure stabilizes Tabung Haji's operations and guarantees a consistent influx of deposits from Malaysian Muslims intending to undertake the Hajj pilgrimage. It also shows that the existence of Lembaga Tabung Haji cannot be doubted as a sole entity of Hajj Management in Malaysia, with the increase of depositors year-over-year (YoY). The data from its annual report, published annually, can prove this. Therefore, the graph below represents the history of depositors' deposits.



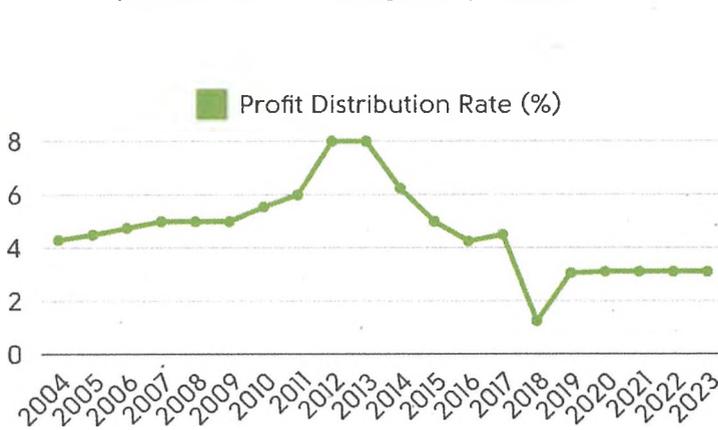
Source: Tabung Haji's Annual Report 2008, 2013, 2018, 2023

This monopoly has made Tabung Haji an important institution to Muslims in Malaysia since it has these exclusive rights. This monopoly permits Tabung Haji to solely oversee the logistics and financial management of Hajj for Malaysian pilgrims. This including all aspects from registration to post-pilgrimage assistance, providing it a comprehensive service provider for Hajj-related requirements.

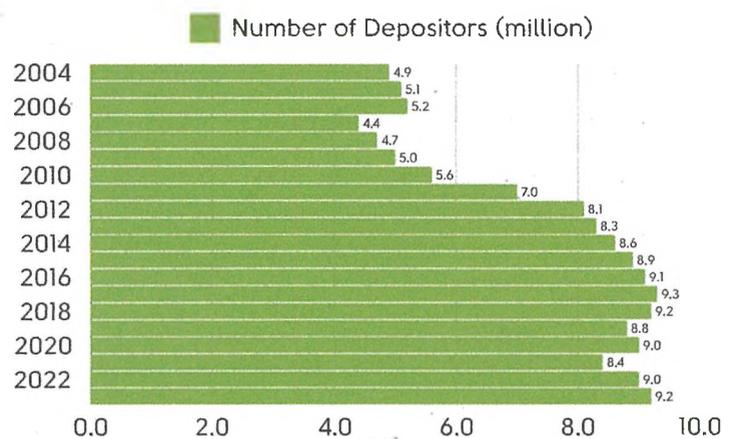
DISCUSSION ON SWOT ANALYSIS

STRENGTH: STRONG FINANCIAL PERFORMANCE

Every financial year ended, Lembaga Tabung Haji has demonstrated its strong financial performance with the latest announcement of its net income in 2023 was RM2.3 billion. This financial strength is seen in its capacity to manage a significant fund, produce steady earnings, and offer competitive returns to its depositors despite encountering hurdles such as inflation and escalating operational expenses. This also can be seen with its declared dividend in 2023 of 3.10%, showing its dedication to delivering satisfactory returns to depositors. The left chart shows the stable trend of Tabung Haji’s Profit Distribution Rate for 20 years period proving their financial performance is in great position.



Source: Tabung Haji’s Annual Report 2008, 2013, 2018, 2023



Source: Tabung Haji’s Annual Report 2008, 2013, 2018, 2023

With the strength of financial position, it also builds peoples’ trust to Tabung Haji in managing the depositors’ money. The right chart shows the increased trend of depositors from 2004 until 2023 extracted from the published Annual Report. It is linked to its increasing depositor base. It has been a crucial element in its capacity to sustain stability and produce reliable returns. For example, on 31st December 2023, Tabung Haji announced roughly 9.15 million depositors, an increase from 8.8 million in 2022. The rise in depositors directly enhances the overall deposits. An expanded depositor base improves its financial resource. It facilitates more significant investments and improved risk management strategies. Mentioning significant investment, strong economic performance has contributed to Tabung Haji’s investment stream in which they managed to utilise a systematic methodology for investment diversification. This diversification is across asset classes and geographical regions enables it to adapt to market fluctuations and improve portfolio performance. For instance, its strategic asset allocation comprises of 58% in Malaysian sukuk, 18% in Malaysian equities, 5% in foreign equities, 11% in real estate, 3% in private equity, and 5% in cash (Bernama, 2024).

DISCUSSION SWOT ANALYSIS

STRENGTH: STRONG FINANCIAL PERFORMANCE

However, the profit distribution rate graph shown that it started to dropped in 2014. This was due to financial irregularities as the government report disclosed that Tabung Haji has been unlawfully declaring dividends since 2014. This has affect in a substantial financial deficit of RM4.1 billion between total assets and liabilities. This circumstance provided that the fund is ineligible to distribute dividends according to its governing regulations (Kumar & Zainuddin, 2018). According to the news published, Tabung Haji has been disbursing Hibah in contravention of the Tabung Haji Act 1995 since 2014. The Act mandates that dividends may only be disbursed when assets surpass liabilities and when there are distributable profits. By the close of 2017, TH revealed liabilities amounting to RM74.4 billion, compared with assets of RM70.3 billion, leading in a deficit of RM4.1 billion (Tee, 2018). This has impacted to the overall Profit Distribution Rate of Tabung Haji.

Other than that, the Profit Distribution Rate graph also shows a stagnation trend started 2018 because Tabung Haji faced economic challenges just like other financial institutions. The prevailing economic landscape has presented considerable obstacles for Tabung Haji. This is caused by weakened domestic and international markets, inflationary pressures, and escalating interest rates following COVID-19. These issues have constrained revenue creation while increasing operational costs. Malaysia remains in struggling with substantial socioeconomic gaps and insufficient diversity in economic development. These concerns limit overall economic performance and constrain the potential for sustainable growth, hence directly impacting investment returns for funds such as Tabung Haji.

Nevertheless, this issue has been addressed maintaining the strength of its financial performance and continuous distribution of dividends (Hibah) to its depositors. This also shows the issue has been restored by Tabung Haji despite the distribution is lower than previous years.

RECOMMENDATION ON SWOT ANALYSIS

STRENGTH: REGULARLY ASSESSING THE QUALITY OF THE SERVICES

Since Lembaga Tabung Haji shows a robust performance as a whole, they still need a few recommendations with the purpose to improve and maintain operating efficiency, bolster depositor confidence, and guarantee long-term viability. This improvement should sustain the strengths discussed (TH Plantations Berhad, 2022). Therefore, a few recommendations should be taken by Tabung Haji, which are making a continuous improvement of Hajj services and expanding its investment diversification (Abu Bakar et al, 2020).

By being the only Hajj Management in Malaysia, they are recommended to continuously improve Hajj services by regularly assessing the quality of the services provided for the pilgrims during Hajj. This includes improving facilities and logistics and guaranteeing that the comprehensive management of the Hajj process aligns with the changing requirements of pilgrims (Yahaya et al, 2020). A few examples can be implemented by Tabung Haji in improving their Hajj services is by upgrading the facilities provided for the pilgrims, especially at Arafah and Mina, ensuring comfort and convenience (Bernama, 2024). This also can be done by suggesting a Makkah route initiative where they can establish a designated terminal for Hajj and Umrah pilgrims in Kuala Lumpur. This should improve the overall experience for pilgrims by reducing delays and streamlining travel logistics (Bernama, 2024).

Moreover, Tabung Haji should run more research and development initiatives towards the Hajj Management to improve the overall operations of Hajj experience. Tabung Haji can continuously conduct research and development (R&D) to discover best practices and execute innovative approaches for Hajj management. This includes the establishment of a medical treatment record book for pilgrims and the implementation of a pilgrim tracking management system. Such measures strengthen service delivery and guarantee that pilgrims have immediate assistance when required.

With this recommendation has been executed, Tabung Haji can continue with feedback mechanisms by setting a comprehensive feedback system. This enables Tabung Haji to collect insights from pilgrims about their experiences during Hajj. This feedback is essential for determining possibilities for development and carrying out essential modifications to services provided in the coming years.

RECOMMENDATION ON SWOT ANALYSIS

STRENGTH: EXPAND THEIR INVESTMENT DIVERSIFICATIONS

To maintain its strength of strong financial performance, Tabung Haji are recommended to expand their investment diversification as to decrease risks linked to economic volatility in Malaysia and improve the total return for depositors. This can be done by persist in diversifying investment portfolios by investigating novel asset classes and regional marketplaces. It may involve expanding investments in foreign sukuk and shares, along with broadening international real estate investments (Abu Bakar et al, 2020).

Tabung Haji has started evaluating its strategic asset allocation to incorporate international Shariah-compliant bonds (sukuk). The strategy seeks to capitalise on growing yields due to rising global interest rates. It offers a potential for enhanced returns while diversifying from domestic investments. Tuan Haji Mohamad Damshal, Former Executive Director of Investment, has stated that this evaluation is ideal, considering the evolving global economic situation following the post-pandemic (Thean Eu, 2022). This is a great opportunity for Tabung Haji to is growing their net income to boost their strong financial statement.

Besides, Tabung Haji also can increase their allocation on equities. Tabung Haji designates around 18% of its portfolio to Malaysian equities. They should contemplate raising its equity exposure more, especially in growing sectors that correspond with national economic ambitions. Therefore, investing in high-performing industries can yield capital appreciation and dividend income, so boosting overall returns (Tabung Haji, 2024). This is also can be a strategic move in enhancing their investment portfolios.

The rationale behind this is because Tabung Haji stand as a sole institution in managing Hajj funds in Malaysia. Nevertheless, they need the capabilities to make their own profit without government's subsidy and to provide returns to their depositors. This is important as a risk mitigation to Tabung Haji in case they are trapped with the impact of market volatility. For example, with one sector underperformed, there will be gains in other portfolios, which can mitigate possible losses. This assures more steady yields for depositors.

DISCUSSION ON SWOT ANALYSIS

WEAKNESS: LACK INTERNATIONAL INVESTMENT EXPERTS

As Lembaga Tabung Haji is the pioneering institution responsible for managing Hajj pilgrimage fund, they also encounter numerous obstacles. One of which is the lack of international investment experts to cover on certain region, which substantially influences its capacity to diversify assets and improve returns across diverse global marketplaces. Tabung Haji's investment strategy is essential for protecting its financial stability and fulfilling the requirements of its depositors. The lack of professionals without a thorough understanding of international markets limits Tabung Haji's ability to pursue and exploit profitable investment possibilities.

Investment experts have been employed by Tabung Haji to oversee international investments. Nevertheless, it only covers on certain regions, such as United States of America and Europe market. Since the international market is broader, Tabung Haji has not yet enter those market, which has a more significant opportunity since there are no experts to manage the investment in those other regions. The regions mentioned are Brazil and Mexico; which are from Latin America.

In the absence of capable employees who can understand these dynamics, Tabung Haji may encounter difficulties in skillfully navigating complex foreign investment landscapes. With the volatility of international investment market, they should be able to manage and gain the opportunity on that. Related to that, they had difficulties in sustaining their profit distribution. As evidenced by the historical performance of the international market in 2022, both domestic and foreign markets were weak during that time (Razali, 2022).

Tuan Haji Mustakim Mohamad, Executive Director of Group Finance, said in an article that Tabung Haji has been affected by the uncertainty market, which put double pressure on the income received, especially from the foreign market that was caused by the increase in financing and inflation rates globally (Razali, 2022).

This weakness has led to several implications which will impact the investment diversification of Tabung Haji. As mentioned, the inability to competently participate in foreign markets may impede its profit distribution abilities.

DISCUSSION ON SWOT ANALYSIS

WEAKNESS: LESS JOB ROTATION

Less job rotation is one of the common issues that occur in Lembaga Tabung Haji. This weakness has been seen to impact employee performance and organizational efficiency. This is happening for many reasons, including underestimation of workload. The management from the Human Resource Department of Tabung Haji may underestimate the need to provide job rotation to their employees, and they may not identify the benefits of executing it. As mentioned, this weakness will negatively impact most employees if not viewed by the Human Resource Department, and many other implications will be followed behind, such as increased work stress and worried performance issues (Liang et al, 2023).

When employees are restricted to particular jobs, they may feel overwhelmed by repetitive work. Not to mention the workload, lacking time off that arises from diversifying their responsibilities. This may result in diminished job satisfaction (LPC, 2022). Concerning Tabung Haji, there are employees who have been staying at a department for a long time, and it was due to unknown reasons. The Human Resource Department does not explain the reasons despite openings at other departments and divisions. Therefore, no job rotations happen inside the company which, will affect the employees' development and growth.

The occurrence of restricted skill development due to poor job rotation within an organization can significantly impact both personnel and the organization's overall efficacy. When personnel are restricted to particular positions for prolonged durations, they frequently develop a profound but limited proficiency in their responsibilities. Although specialization may offer benefits in some situations, it limits employees' capacity to adjust to new difficulties or changes in organizational requirements (Holistique Training, 2023). This can be seen by looking at the Tabung Haji working environment in Investment Department where employees from International and Domestic Equity Divisions do not rotate between them.

Job rotation should be a strategic initiative that benefits individual employees. it should position the organisation for enduring success in a constantly changing business environment. In applying for job rotation, an action should also be taken solely by the head of division or Department other than human resource department.

RECOMMENDATION ON SWOT ANALYSIS

WEAKNESS: STRATEGIC PARTNERSHIPS

In addressing these issues, a few strategies or recommendations can be implemented by Lembaga Tabung Haji. The company can apply strategic partnerships with well-known global investment firms to overcome their lack of international investment expertise. To make this happen, Tabung Haji can establish partnerships with reputable global investment firms or consultancies that could provide insights, resources, and assistance on international investments. Such collaborations also improve information transfer and refine Tabung Haji's strategic decision-making on investment (Zainuddin, 2020). This suggestion plays a vital role in increasing Tabung Haji's investment capabilities and can solve at least two to three other weaknesses faced by them related to investments.

It benefits Tabung Haji by granting access to specialised skills that the organisation may lack internally. It facilitates novel ideas and alternative strategies for addressing investment challenges (Mohtar, 2021). Besides, strategic partnerships can mitigate risks linked to international investments. Through the distribution of duties and resources, Tabung Haji can mitigate its vulnerability to market fluctuations and economic risks in international markets (Yahaya et al, 2020). For instance, Tabung Haji can engage with universities and research organisations to provide analyses of market trends and investment strategies.

Besides, this is beneficial to Tabung Haji as it will improve the operational efficiency. By partnering with organisations with established operational frameworks and networks, Tabung Haji can improve its international investment management efficiency. This encompasses optimised procedures for due diligence, compliance, and reporting. The improvement can be made with using big data analytics to analyse international market trends and investment opportunities. With those, it allows Tabung Haji for a quicker and more informed international decision making process (Bernama, 2019).

Operational efficiency will improve collaboration with external partners who have the necessary skills especially in the international investment area. Innovative procedures enable Tabung Haji to interact and coordinate efficiently with these partners. Therefore, maximising the advantages of their expertise and networks for Tabung Haji's future growth.

RECOMMENDATION ON SWOT ANALYSIS

WEAKNESS: STRUCTURED JOB ROTATIONS PROGRAM

While the issue related with job rotation can be addressed by establishing structured job rotation programs for the employees (Kumar, 2024). This should be managed and cooperated by the Department of Human Resource, which plays an important role in managing its human capital. This implementation has proven to be a notable enhancement in employee engagement and retention rates. This is evidenced by a Society for Human Resource Management research, reported a 30% rise in these metrics when such programs were established. It can be done by providing a comprehensive training and preparation, such as eLearning materials related to the new role for the employees so that they can prepare for the transition. Early preparation can reduce employees' time to attain maximal productivity in their new roles (Andreev, 2022).

In implementing structured job rotations program, few stages should be gone through which are setting a clear objectives and defining clear goals for the job rotation program. Then, proceed with planned training and support, which compulsory for the employees to rotate, collect feedbacks from the involved employees on the effectiveness of the program, and lastly, establish a structured timeline for the employee's rotation. The implementation will foster a comprehensive skill set in employees, increase their comprehension of the organization's processes, and elevate general job happiness which is required by them.

This implementation has been proved by the success stories from company such as Google and General Electric (Humansmart, 2024). Job rotation must be deliberately matched with employees' career paths and ambitions. Tabung Haji can facilitate the employees to gain relevant experience for future jobs or promotions by taking individual career ambitions into account when arranging rotations. This alignment improves skill development and increase overall job satisfaction (Bhuwal, 2024).

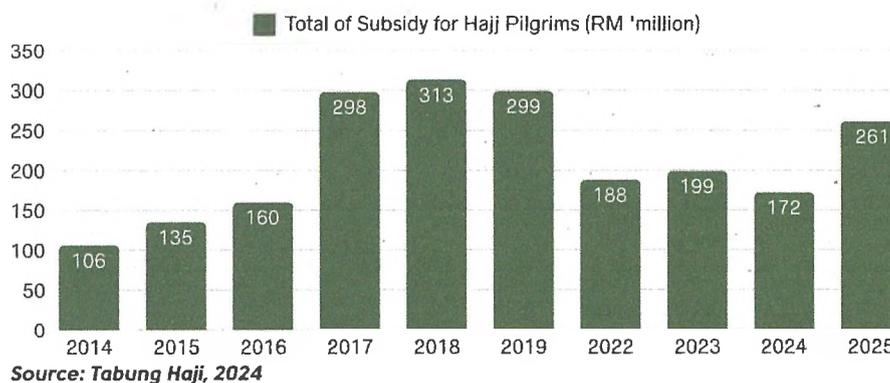
By providing opportunities for diverse experiences within the workplace, companies can foster a more adaptable workforce equipped to meet current and future challenges. The positive impact on innovation, collaboration, and overall organizational performance deepens the importance of investing in structured job rotation programs as a key component of talent management strategies.

DISCUSSION ON SWOT ANALYSIS

OPPORTUNITY: GOVERNMENT'S PROVISION OF SUBSIDY

As Tabung Haji is an institution of being the only Hajj Management in Malaysia, they had the opportunity of receiving subsidies provided by the government. Currently, the government offers subsidies to pilgrims intending to perform Hajj for the current year. Consequently, the government would persist in providing the Hajj subsidy to all designated pilgrims for the observance of the fifth Pillar of Islam for the year (Tabung Haji, 2024). This subsidy program aims to reduce the financial strain on Malaysian Muslims, especially first-time pilgrims from low-income demographics. Tabung Haji subsidises a significant percentage of the expenses related to Hajj. In 2019, the subsidy has been around RM12,920 per pilgrim, enabling first-time pilgrims to pay merely RM9,980 instead of the total cost of RM22,900 (Tabung Haji, 2024).

This subsidy is essential since it ensures accessibility to the pilgrimage for economically disadvantaged individuals, especially those categorized within the B40 and M40 income groups. The government seeks to guarantee that financial aid is directed efficiently at those in greatest need. This subsidy also is known as an element of Tabung Haji's Corporate Social Responsibility efforts. Through the provision of this financial supports, Tabung Haji fulfills its mission to assist Malaysian Muslims in meeting their religious duties and advancing social welfare of society (Abd Rahman et al, 2019). Shown below the 10-year statistics published by Lembaga Tabung Haji of the total subsidy provided for the Hajj pilgrims.



This opportunity had a positive impact on Tabung Haji as it improved the reputation and trust to the company with positive public perception. The allocation of subsidies strengthen Tabung Haji's position as a socially responsible entity dedicated to assisting its depositors and the Muslim community. This may improve trust among depositors and prospective clients, strengthening Tabung Haji's standing in the financial sector. This also related to Tabung Haji's transparency and accountability as they can establish confidence with stakeholders as long as they are upholding a transparent subsidizing framework and conveying it proficiently to the public (Bernama, 2019).

DISCUSSION ON SWOT ANALYSIS

OPPORTUNITY: TECHNOLOGICAL ADVANCEMENTS

Technological advancements have been seen as the most incredible opportunity to Tabung Haji for them to keep on developing. The most mentioned advancement they made is the release application of THiJARI, where all business transactions related to Tabung Haji can be made at the tip of your finger (Singapore Business Review, 2021). Tabung Haji possesses the capacity to improve its operational efficiency and customer service through technology. This institution itself has its own IT department which is responsible for managing all the technologies owned by Tabung Haji. This context is important to be part of Tabung Haji SWOT analysis as utilizing technology can improve service delivery and customer satisfaction.

With the release of THiJARI as an online platform, it has facilitated the depositors' daily business with Tabung Haji. Adopting this technology optimises operations and improves customer experience by facilitating convenient service access (Singapore Business Review, 2021). THiJARI application comes with user-friendly interface which features a sleek appearance and intuitive navigation with advanced security features. It facilitates easier access for depositors to a range of services; as mentioned, it allows them to keep track of their accounts, verify balances, and monitor their Hajj pilgrimage status. The importance of usability has resulted in an expanding customer base, with over one million users documented shortly after its inception (Razali, 2022).

Apart from that, Tabung Haji also made an advancement of technology to the financial management. They have been acknowledged for their creative methodology in financial management, incorporating technology to increase the efficiency of fund administration and Hajj services. The continuous dedication to advancement in technology was emphasized when Tabung Haji received the Malaysia Technology Excellence Award for Online Service, demonstrating its attempts to include innovative technologies into its operations (Singapore Business Review, 2021).

As Tabung Haji continues with its development, a few other technological advancements have been implemented to take the opportunity. For instance, they are transitioning communication, marketing, data management and analysis into technology. The strategic integration of these technologies strengthens Tabung Haji's competitive standing among financial institutions serving Islamic pilgrims.

RECOMMENDATION ON SWOT ANALYSIS

OPPORTUNITY: MONITOR AND EVALUATE THE SUBSIDY IMPACT

To capitalize the opportunities, a few strategic recommendations should be taken into account to offer more positive impacts to both Tabung Haji and its customers. The purpose is to improve customer engagement and ensures the sustainable growth of Tabung Haji in the future. Therefore, Tabung Haji is suggested to monitor and evaluate the subsidy impact (Abd Rahman et al, 2019).

To explain, the management can appoint and build an exceptional team tasked to collect data on the demographics of subsidy recipients and the pilgrimage participation rates. This can be done by developing a monitoring framework that sets the key performance indicators (KPIs) to measure the effectiveness. The details can be included are the count of first-timer pilgrims receiving financial assistance, alterations in the demographic details of subsidy beneficiaries, and financial status of Tabung Haji after subsidy adoption (Abu Bakar et al, 2020). The data collection can be done regularly, and the data that can be collected include income levels, age, and geographic distribution. Such data will improve subsidy programs to address community needs more effectively. This information also will assist in determining which groups derive the most significant advantage from the subsidies and whether they efficiently focus on lower-income populations (Abdul Rahman & Md Zabri, 2021).

Further, an analysis of financial performance metrics can be done to also monitor and evaluate the subsidy. It should be done by examine financial metrics that correspond to the operations of Tabung Haji, such as the total number of subsidies disbursed, the costs associated with Hajj services, and the earnings generated from investments. This facilitates the evaluation of the subsidy strategy financial sustainability over time. Financial performance metrics such as revenue, net profit, profit distribution, net assets, zakat allocation, and others. With those being analysed, it provides insights to Tabung Haji's financial health.

This is important for Tabung Haji as to sustain the significant financial performance of Tabung Haji since they need to monitor their cost management through data analysis. It is important to comprehend the trends in subsidy expenditures in relation to the revenues generated from investments. It is to guarantee long-term financial sustainability. Same goes to the data collection, which Tabung Haji can better understand the demands of diverse groups, especially B40 and M40 income levels. This information helps TH customise its subsidy packages to individuals who need it most (Abdul Rahman & Md Zabri, 2021) .

RECOMMENDATION ON SWOT ANALYSIS

OPPORTUNITY: LEVERAGING TECHNOLOGICAL ADVANCEMENTS

While leveraging technological advancements, Tabung Haji can expand and invest more in digital services and strengthen cybersecurity measures (Tabung Haji, 2022). With the existence of the THiJARI application, it can be improved or developed by incorporating more features, including customized financial guidance, improved user interfaces, and AI-powered customer care, to better address the requirements of depositors (The Malaysia Reserve, 2021).

The usage of Artificial Intelligence (AI) has been prominent globally. Implementing AI in the THiJARI application will improve the overall user experience since AI integration is broad. It will help and be used for predictive analytics, intelligent user support, and improving security measures. For example, intelligent support will provide instant assistance to users, and predictive analytics will assist depositors in organising their financial management (Kementerian Digital, 2024).

On the other hand, investing more on the THiJARI means increasing user engagement. By 2024, the THiJARI aims to have over four million users, up from 1.4 million at start. This boost will boost customer satisfaction and establish a strong platform community (Lembaga Tabung Haji, 2022). Therefore, they need to allocate some funds for the THiJARI development process to attract more depositors to deposit their money by just using the application and encourage a strong relationship with depositors.

While the digital services develop, strong cybersecurity policies become absolutely critical. To safeguard user information and transactions, Tabung Haji should make investments in cutting-edge security systems. This is can resolve issues with online fraud and encouraging depositors' confidence on digital channels. The suggested improvement that can be made is creating an alert and monitoring, which able to spot unusual activity and activate alerts for administrators as well as users. This requires temporarily blocking accounts after unusual transaction patterns discovery.

These developments position Tabung Haji as an innovative entity within the Islamic finance sector, and will increase their reputation in the future as their operational efficiency increases.

DISCUSSION ON SWOT ANALYSIS

THREATS: ESCALATING EXPENSES OF HAJJ

In recent years, numerous factors have led to increased costs of Hajj, affecting both the organisation and its pilgrims. Due to that, the escalating Hajj costs are one of the threats to Tabung Haji, particularly affecting to profitability and affordability of the pilgrimage for Malaysian Muslims (Bernama, 2024).

The cost of performing Hajj has been steadily increasing due to additional fees, taxes imposed by the Saudi government, and inflationary pressures. (Muhamad, 2024). Tabung Haji has indicated that both direct and indirect expenses related to Hajj operations have escalated. In 2024, Tabung Haji expenses are above RM350 million, including expenditures for flights, housing, meals, and health care for pilgrims (Bernama, 2024). This trend indicates a continual growth in operational costs indicated to inflation and heightened service charges mandated by Saudi authorities.

Based on the latest data, the 2025 costs of Hajj for Muassasah group pilgrims from the B40 income category have increased by 20%. Therefore, the overall cost established at RM33,300 per individual. As a result of the rise expenses, the payment sums for B40 pilgrims rose from RM12,356 in 2024 to RM15,000 in 2025 (Muhamad, 2024).

This threat also can be seen in the increase in the number of Hajj pilgrims every year and the operational costs. The total operational expenditure increased by 121% from 2015 to 2019. This development suggests that Tabung Haji is experiencing increasing pressure to manage its funds efficiently and sustaining its dedication to support pilgrims (Tabung Haji, 2022). Such increases can profoundly affect Tabung Haji's financial planning and the accessibility of Hajj for economically disadvantaged populations. The data below shows the increment of the total cost of Hajj of 10-year data acquired from Tabung Haji's official website.



DISCUSSION ON SWOT ANALYSIS

THREATS: CURRENCY FLUCTUATIONS

While the next threat faced by Tabung Haji is related to currency fluctuations. As Tabung Haji invests in various assets-class including sukuk and foreign equities, the fluctuations of the Malaysian Ringgit (MYR) against other currencies can impact the returns on these assets. This threat is external. It is a negative factor to Tabung Haji (The Malaysian Reserve, 2022). For that reason, empirical studies and reports have been published discussing currency fluctuations affecting them.

As mentioned, this threat affects the return on investments of Tabung Haji, especially when the investments are made to foreign equities since it involves foreign currency exchanges. This can be observed with the depreciation of foreign currency against Malaysian currency. For instance, Tabung Haji possesses assets in US dollars, and the USD depreciates against the MYR, the returns from those investments will diminish when converted to MYR. This is major as this determines the profits to be distributed to depositors every financial year. Lower profits will be distributed as the currency is more volatile (Mohammad Zairi & Abdullah Thaidi, 2023).

A study by Khan and Bhatti (2019) discovered that exchange rate fluctuations substantially influence Islamic institutions' financial performance. The study shows that a depreciation of the local currency results in diminished profitability owing to decreased returns on foreign investments. It also heightened operational costs associated with converting foreign currency expenditures to local currency. This discovery is directly relevant to Tabung Haji, which allocates investments in diverse international assets.

Furthermore, changes in exchange rates are also associated with the economic environment. Broader economic landscape encompassing post-pandemic recovery difficulties and geopolitical influences has worsened market volatility. For example, the Russia-Ukraine conflict. This environment has resulted in increased finance costs and inflationary pressures that worsen Tabung Haji's financial constraints. Consequently, sustaining a consistent profit distribution rate has grown progressively difficult (The Malaysian Reserve, 2022). This threat has shown the interrelation of global economic conditions with the activities of local financial institutions and their capacity to execute their mandates successfully.

RECOMMENDATION ON SWOT ANALYSIS

THREATS: APPLYING FOR MORE GOVERNMENT SUPPORT

Despite the external threats, those can be tackled with a few recommendations, such as applying for more government support. Recent developments show the Malaysian government's willingness to support Tabung Haji in delivering financial assistance to pilgrims, especially those from low-income demographics. For the 2025 Hajj season, the Malaysian government has designated another RM1,000 in support for each B40 pilgrim, resulting in a cumulative financial aid of RM18,300. This support covers more than fifty percent of the total expenditure for these pilgrims, established at RM15,000 (The Star, 2024). This particular support is essential for improving the accessibility of Hajj for individuals who may find the costs prohibitive.

Tabung Haji can work with the government and create a policy advocacy. This means a collaboration with the government to acquire additional funds or subsidies meant to help cover increasing Hajj expenses. This may include revising the Tabung Haji Act to improve government financial support. It is also can be done by applying for tax incentives. Tabung Haji can demand tax incentives for depositors saving for Hajj, making it more appealing for depositors to make deposits in their hajj savings.

Apart from that, Tabung Haji also created strategic partnerships and agreements such as the Memorandum of Understanding (MoU) which is a negotiation discussion (Tabung Haji, 2025). Malaysia has executed an MoU with Saudi Arabia to improve collaboration in Hajj administration. This agreement covers obligations to comply with operating protocols and improve service provision for Malaysian pilgrims (Malaymail, 2025). Hence, they could also include a negotiation and apply to decrease Hajj expenses from the Saudi government in the agreement. The MoU will be an advantage to Tabung Haji as it anticipated to facilitate a more structured and effective Hajj experience for Malaysian pilgrims and mitigating previous issues, especially logistics and accommodations.

The Memorandum of Understanding between Malaysia and Saudi Arabia represents a crucial advancement in Hajj administration, facilitating more access for Malaysians to accomplish their religious duties while receiving better support services throughout their journey.

RECOMMENDATION ON SWOT ANALYSIS

THREATS: DIVERSIFICATION ON THE CURRENCY EXPOSURE

Discussing the currency fluctuations, Tabung Haji can make a diversification on the currency exposure to reduce the risk (Anthony, 2024). Multi-currency investments can be made by diversifying investments across a portfolio of currencies instead of focusing on a single foreign currency. To relate, Tabung Haji can reduce risks linked to unfavourable fluctuations in any single currency (Bank Negara Malaysia, 2020).

Multi-currency investments means diversification on the portfolio, which brings to greater diversification and helps in mitigating investment risks. This type of investment also provides access to global market. Tabung Haji may benefit from growth in emerging markets by acquiring currencies from those regions and expanding prospective returns. This access allows Tabung Haji to investigate various investment opportunities beyond domestic markets.

Hedging strategies, which proven to be successful, should be implemented by Tabung Haji as it can manage the currency risk for Tabung Haji that invest in foreign asset-class (Segal, 2024). This measure will also assist in mitigating possible losses from unfavourable variations in exchange rates. It is done by employing financial instruments, for instance, forward contracts or options which can safeguard Tabung Haji against adverse currency fluctuations. This method enables Tabung Haji to secure exchange rates for forthcoming transactions, stabilising cash flows from international assets (Rahn & Riegel, 2024).

With hedging strategies, it improves the predictability of cash flows, facilitating stronger economic forecasting and budgeting. Tabung Haji can stabilise their cash flow statements by reducing the effects of currency volatility on revenue and expenses. Hedging strategies also improve the investment decision by allowing the organisations to concentrate on their primary investment objectives without worrying too much for short-term currency fluctuations since this strategy opt for long-term planning. With less uncertainty about exchange rates, Tabung Haji can make better long-term investment decisions. This allows it to seek growth chances without worrying about sudden negative effects from currency changes.

ENDING & FINISHING UP

CONCLUSIONS

Upon reflecting on my 24-week industrial training at Lembaga Tabung Haji, I am sincerely grateful for the opportunity to learn and gain experience from a prestigious institution integral to Malaysia's Islamic finance and Hajj management sector. As I am rolling in the Investment Operations Division, specifically under Investment Process Administration Unit, it provided me with practical experience of Islamic finance principles, documentation processes, and investment mechanisms. This experience improved my analytical and technical abilities, especially in utilising technologies. For instance, Bloomberg, manages essential documentation for equities and sukuk transactions. Towards the end, I gained more soft skills, including communication, decision-making, and time management.

My industrial training clarified my career aspirations to specialize in Finance and Investment. In the next five years, I seek to improve my proficiency in Shariah-compliant investment methods. I also aim to contribute to efforts that encourage economic growth within the Muslim community. I aim to establish myself as a distinguished expert in finance and Islamic finance, utilising technology and new methodologies to provide sustainable financial solutions.

In achieving this vision, I intend to obtain professional qualifications, such as certifications in Islamic finance or Chartered Financial Analyst (CFA). I also intend in acquire professional experience in broader areas, including global investments. I aspire to contribute substantially to the development of creative solutions in the Islamic financial sector, including enhancing my leadership skills.

This training has been a transformative step toward my professional goals. It has equipped me with essential skills, real-world experience, and a clear vision of my future in the Islamic finance sector. I aim to meaningful and sustainable contributions.

This internship has been important in establishing the groundwork for my career ambitions. It has given me a thorough comprehension of organisational procedures, increased my problem-solving skills, and fuelled my enthusiasm for contributing to Tabung Haji. I am excited about continuing this development journey and picture a future. I believe I can make significant contributions to the financial sector and the community as a whole.

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APPENDICES



Working Space



Investment Department Floor



Onboarding Session with Human Resource Department



First Conference Attended



Bloomberg Session



Tabung Haji's Event

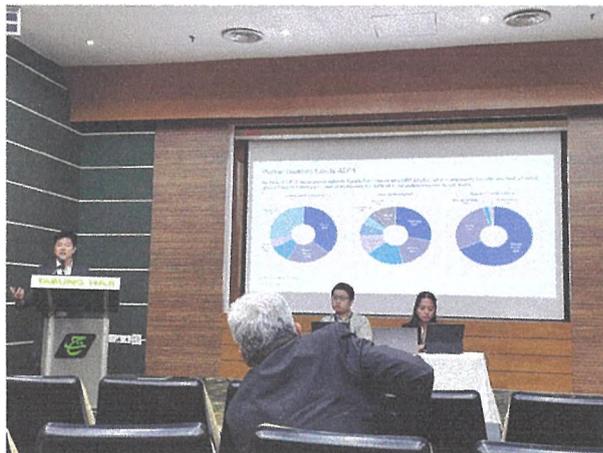
APPENDICES



First Training Attended



Second Training Attended



Third Training Attended



Fourth Training Attended



Bowling Activity by Investment Department



Group Photo

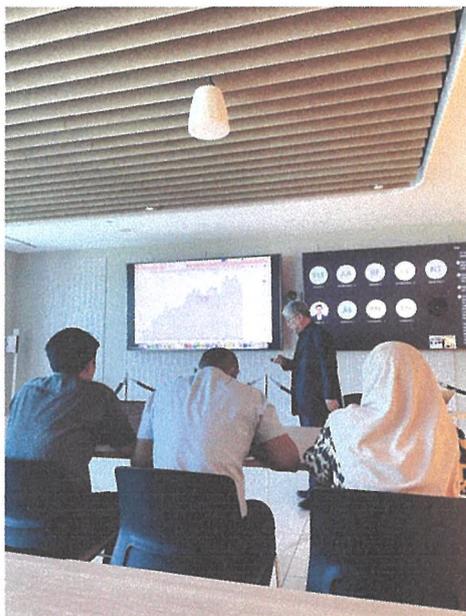
APPENDICES



First Presentation



Second Presentation



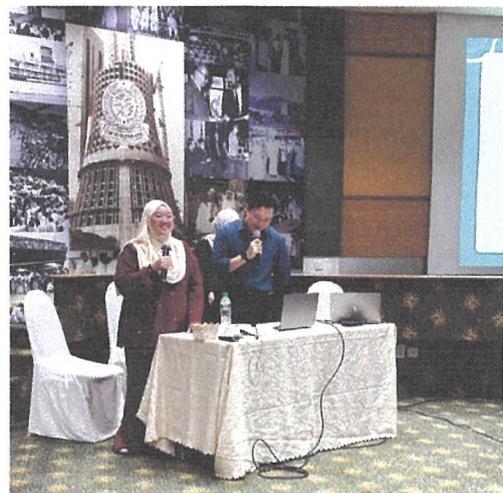
Fifth Training Attended



Last Training Attended



Group Photo



Ad-Hoc Task: Emceeing