

# DANA HARTA

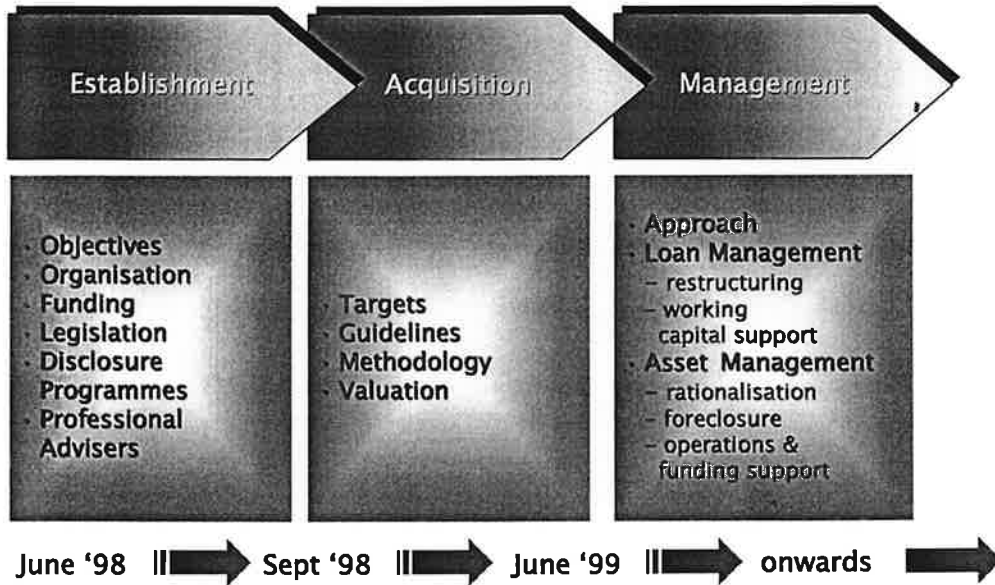
**BRIEFING  
ON  
OPERATIONS REPORT**  
Six months ended 31 December 2001  
12 March 2002

## Overview

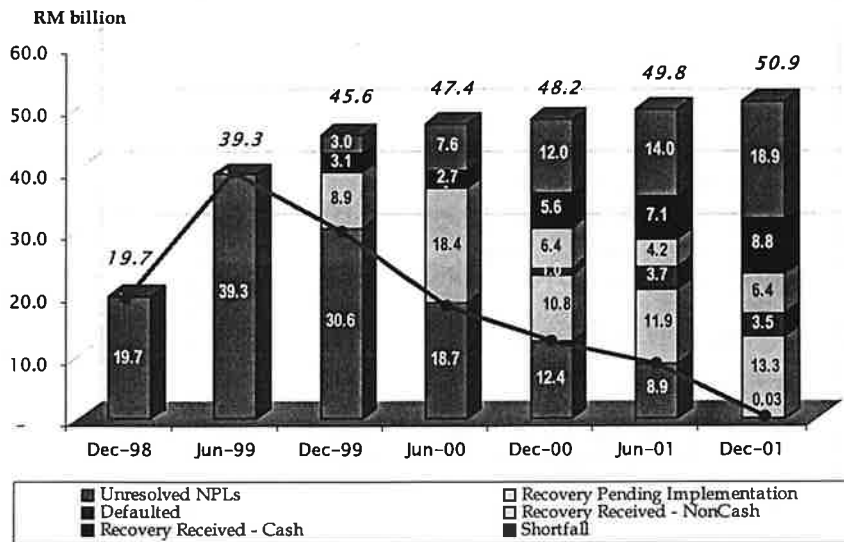


- **ACQUISITION**
  - NPL Portfolio Update
- **LOAN MANAGEMENT**
  - Loan Restructuring
  - Asset Restructuring
  - Loan Disposal
- **ASSET MANAGEMENT**
- **RECOVERY**
  - Recovery Proceeds by Asset Group
  - Distribution of Recovery Proceeds
- **ASSET MOVEMENT**

### DANA HARTA'S PROGRESS THROUGH PHASES

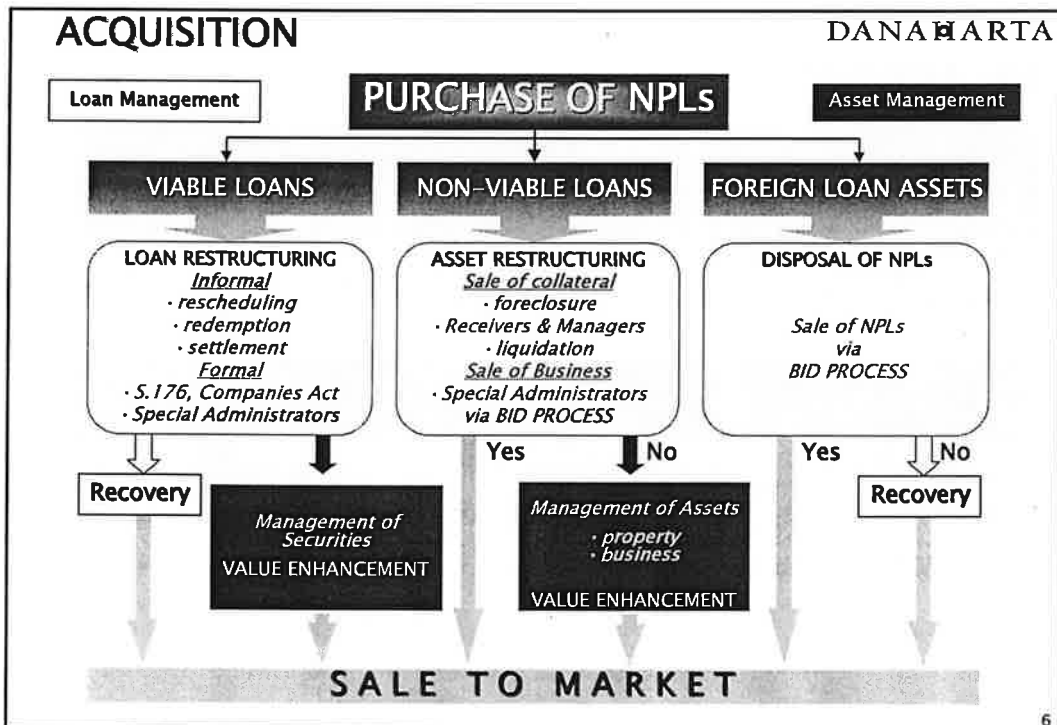


### ASSET MOVEMENT AT SIX-MONTH INTERVALS up to 31 December 2001



# DANA HARTA

## UPDATE ON ACQUISITION





**DANA HARTA**

## NPL MOVEMENT

	30 June 2001		Movement during the period		31 December 2001	
	RM bn	No of accounts	RM bn	No of accounts	RM bn	No of accounts
Acquired	20.13	827	(0.31)	(22)	19.82	805
Under management	27.90	2,101	-	(4)	27.90	2,097
<b>Danaharta's portfolio</b>	<b>48.03</b>	<b>2,928</b>	<b>(0.31)</b>	<b>(26)</b>	<b>47.72</b>	<b>2,902</b>

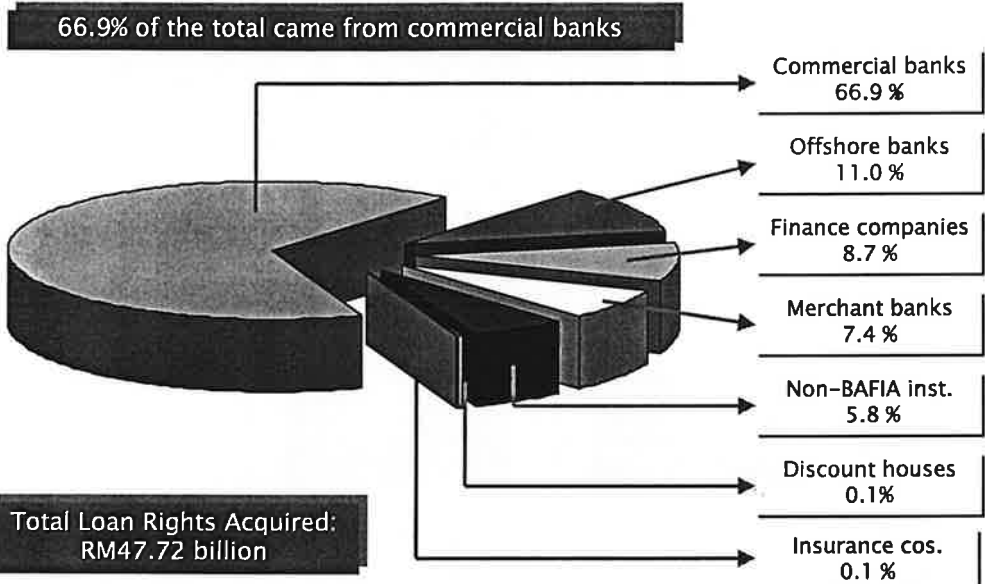
  

	31 December 2001	
	RM bn	No of accounts
Rejected by FIs	8.03	423
Total evaluated by Danaharta	56.44	3,354
Returned to FIs	0.69	29

Average discount on acquired NPLs to date      54%

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### NPL BY TYPE OF INSTITUTION

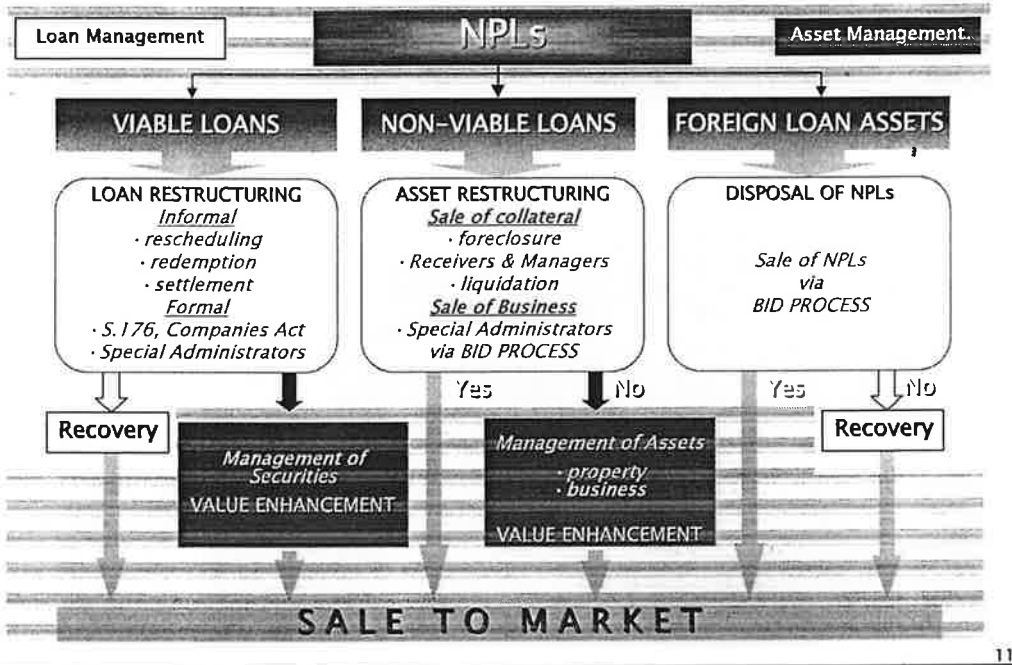


# DANA HARTA

UPDATE  
ON  
LOAN MANAGEMENT

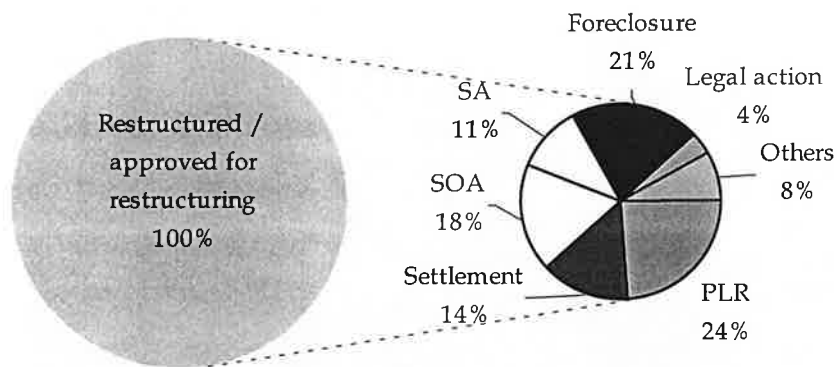
# LOAN MANAGEMENT

DANA HARITA



# LOAN MANAGEMENT STATISTICS as at 31 December 2001

DANA HARITA



**Total Loan Rights Acquired: RM47.72 billion**  
**Default rate: 11 %**

## EXPECTED RECOVERY RATE

Recovery method	* Adjusted loan outstanding RM billion	^ Adjusted expected recovery RM billion	Expected Recovery %
Plain loan restructuring	11.60	8.04	69%
Settlement	6.87	5.19	76%
Scheme of arrangement	9.15	6.95	76%
SA - scheme approved	5.55	2.46	44%
Foreclosure	11.58	3.37	29%
Others (inc. partial resolutions)	4.14	2.50	60%
Legal action	2.05	-	-
	<b>50.94</b>	<b>28.51</b>	<b>56%</b>

# Comprising total LRA of RM47.69 billion and accrued interest of RM3.25 billion

^ Assuming zero recovery on defaulted cases as at 31 December 2001

Gross value of loans and assets restructured or  
disposed or both as at 31 December 2001

**RM50.94 billion**

Expected average recovery rate

**56%**

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## RECOVERY METHODS

### Loan Restructuring

- Plain loan restructuring
  - rehabilitation of NPL (e.g. loan rescheduling)
  - expected recovery rate 69%
- Settlement
  - loans disposed outright (e.g. settlement scheme)
  - expected recovery rate 76%
- Scheme of arrangement
  - scheme under S.176 Companies Act, voluntary scheme of arrangement, CDRC scheme
  - expected recovery rate 76%
- Others
  - partial resolution to reduce the amount outstanding, pending final resolution (e.g. redemption of collateral)
  - expected recovery rate 60%
- Legal action
  - taken where all other recovery methods have been exhausted

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**RECOVERY METHODS (cont.)****Asset Restructuring**

- SA – scheme approved
  - a Special Administrator scheme
  - expected recovery rate 44%
- Foreclosure
  - foreclosure of property collateral under Section 57 of the Pengurusan Danaharta Nasional Berhad Act 1998 and foreclosure of share collateral
  - expected recovery rate 29%

**Disposal of NPLs**

- Disposal of foreign loan assets

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**LOAN RESTRUCTURING  
SECURITISATION OF PERFORMING LOANS**

- On 20 November 2001, Danaharta launched its inaugural issue of Asset Backed Securities
- First Collateralised Loan Obligation type issue in Malaysia
- The issue comprised of RM310 million Senior Notes and RM285.4 million subordinated notes, issued via Securita ABS Sdn Bhd, a special purpose vehicle formed for this exercise.
- Backed by RM595 million in performing loans and cash transferred to Securita ABS Sdn Bhd
- Oversubscribed by 3.5 times, received orders in excess of RM1.0 billion.

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## LOAN RESTRUCTURING SECURITISATION OF PERFORMING LOANS

- Advantages of securitisation:
  - overcomes the operational difficulties faced in outright sales or auctioning a large number of accounts
  - avoids “cherry picking” by investors
  - enables a wider investor base to be addressed
  
- Issue met objective of generating earlier cash inflow for Danaharta from its performing loans
  
- Funds raised help to enhance Danaharta’s cash collection in meeting bond redemption and operational requirements

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## ASSET RESTRUCTURING PROPERTY TENDERS (Primary Sales)

Status of properties under primary sales	Number of properties	Indicative value (IV) (RM million)	Consideration received (C) (RM million)	C/IV %
Sold to successful bidders in tenders	357 *	568.35	593.34	104%
Unsold in tenders, including those transferred to Danaharta Hartanah Sdn Bhd for secondary sales	256	865.23	n/a	n/a
Unsold in tenders, belonging to Jalur Realty Sdn Bhd	1	1.50	n/a	n/a
<b>Total offered to the market as at 31 December 2001</b>	<b>614</b>	<b>1,435.08</b>		

*Note:*

*\* Includes 12 properties belonging to Jalur Realty Sdn Bhd, a property management company which was previously part of the Sime Bank Group. The 12 properties have a total indicative value of RM14.8 million and were sold for a total consideration of RM15.47 million. The sale of Jalur Realty properties formed part of the resolution of the Sime Bank Group.*

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## ASSET RESTRUCTURING SALE OF HOTEL & LEISURE PROPERTIES

DANA HARTA



- 11 hotels offered in HLP Tender:
  - 3 foreclosed by Danaharta
  - 8 offered by SAs
- 3 hotels sold for total consideration of RM39.5 million.
  
- 8 hotels offered post tender:
  - 2 foreclosed hotels by Danaharta
  - 6 hotels by SAs
- As at 31 December 2001, 5 hotels were sold for a total consideration of RM72.5 million
- Remaining 3 hotels under management of Special Administrators

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## ASSET RESTRUCTURING SPECIAL ADMINISTRATORS APPOINTED

DANA HARTA

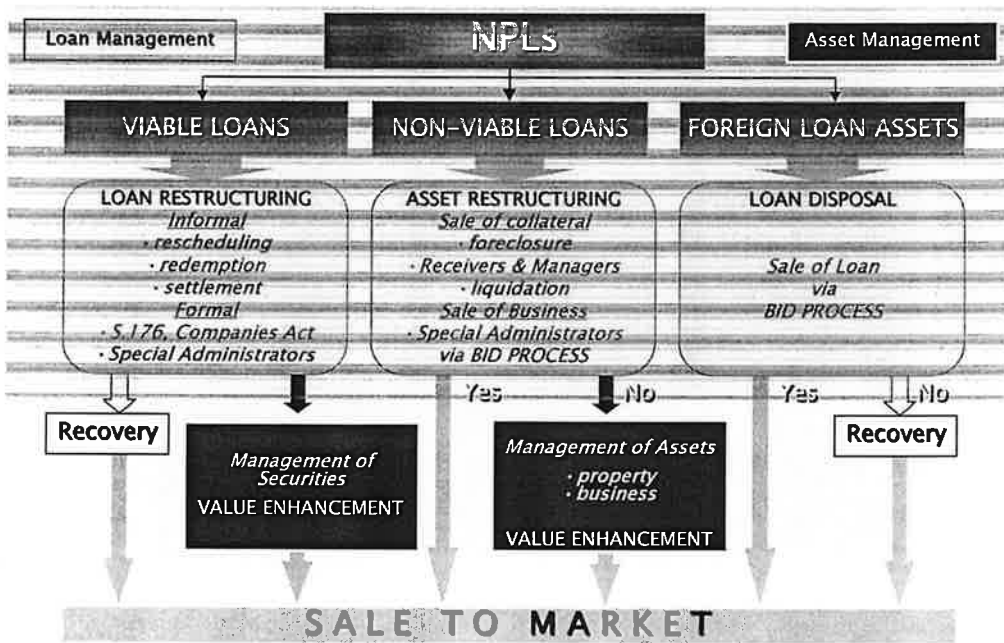
- As at 19 February 2002: Danaharta had appointed Special Administrators across 61 groups of companies
- 42 groups of companies are still at various stages of Special Administration
- Special Administrators across 19 groups of companies have been discharged upon successful restructuring of the companies

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# DANA HARTA



## ASSET MANAGEMENT



## SECONDARY SALES by Danaharta Hartanah

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Status of properties under secondary sales	Number of properties	Indicative value (IV) (RM million)	Consideration received (C) (RM million)	C/IV %
Re-offered and sold via private contract	97	200.12	153.55	77%
Re-offered and sold in subsequent Danaharta property tenders	44	120.34	96.63	80%
<b>Sub-total of properties sold</b>	<b>141</b>	<b>320.46</b>	<b>250.18</b>	<b>78%</b>
Withdrawn from sale	3	6.51	n/a	n/a
Available for sale as at 31 Dec 2001	113*	539.76	n/a	n/a
<b>Total re-offered to the market</b>	<b>257</b>	<b>866.73</b>		

*Note: This includes 4 properties which had received successful bids in previous tenders but transactions were not completed, 2 properties awaiting transfer to Danaharta Hartanah pending resolution of legal issues and one property owned by Jalur Realty Sdn Bhd.*

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## EXPECTED RECOVERY RATE

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# Comprising total LRA of RM47.69 billion and accrued interest of RM13.25 billion

^ Assuming zero recovery on defaulted cases as at 31 December 2001

Gross value of loans and assets restructured or disposed or both as at 31 December 2001

**RM50.94 billion**

Expected average recovery rate

**56 %**

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## ANALYSIS OF RECOVERY PROCEEDS BY ASSET GROUP (as at 31 December 2001)

Asset group (RM billion)	Expected recovery* (a)	Pending implementation (b)	Defaulted (c)	Recovery received (d = a - b - c)	Stock* valued as at 31/12/01 (e)	Realised in cash as at 31/12/01 (f = d - e)
Cash	12.30	5.91	0.68	5.71	-	5.71
Restructured loans	13.43	3.81	2.59	7.03	4.37	2.66
Securities	5.05	3.02	0.25	1.78	1.68	0.10
Properties	1.25	0.60	-	0.65	0.37	0.28
<b>Total</b>	<b>32.03</b>	<b>13.34</b>	<b>3.52</b>	<b>15.17</b>	<b>6.42</b>	<b>8.75</b>

# Expected recovery does not include interest or adjustments due to gains or losses arising from the recovery process.

\* Analyses of the respective stock-in-hand figures, i.e. performing loans, securities and properties are contained in Appendices 2 to 4 of the Operations Report.

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## ANALYSIS OF RECOVERY PROCEEDS

### Total cash received

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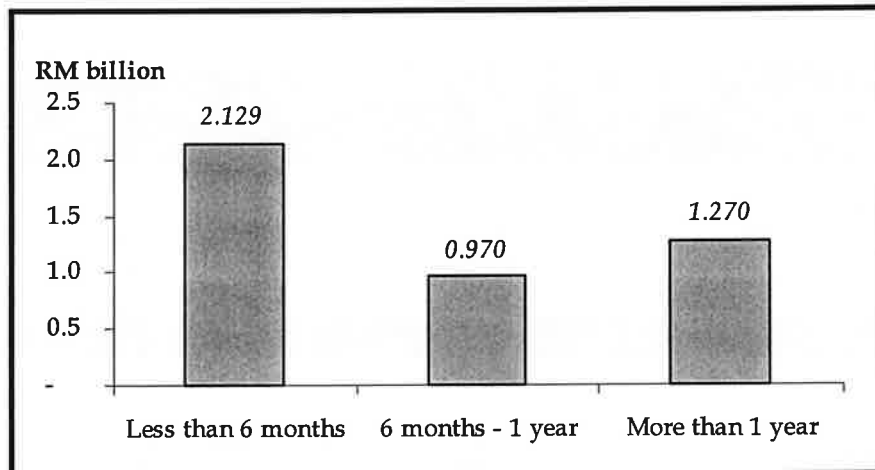
	<u>RM billion</u>
Cash from recovery proceeds	8.75
<hr/>	
<b>Adjustments</b>	
Including, amongst others, interest received on restructured loans, gains or losses from sale of foreclosed collateral and securities	0.94

<b>TOTAL CASH RECEIVED</b> (as at 31 December 2001)	<b>9.69</b>
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## AGING ANALYSIS OF RESTRUCTURED LOANS

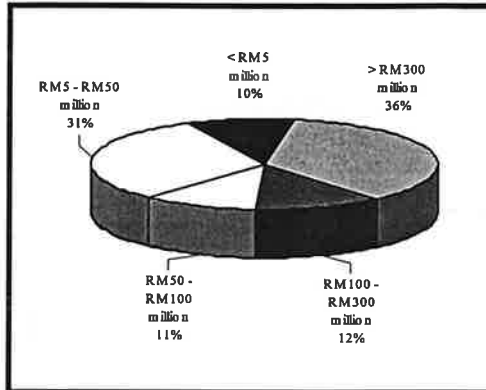
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**RM4.37 billion**

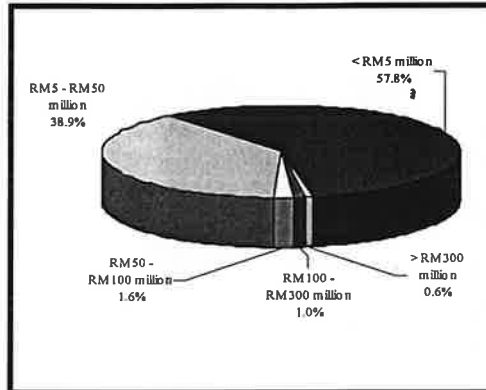
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**RESTRUCTURED LOANS**  
By value



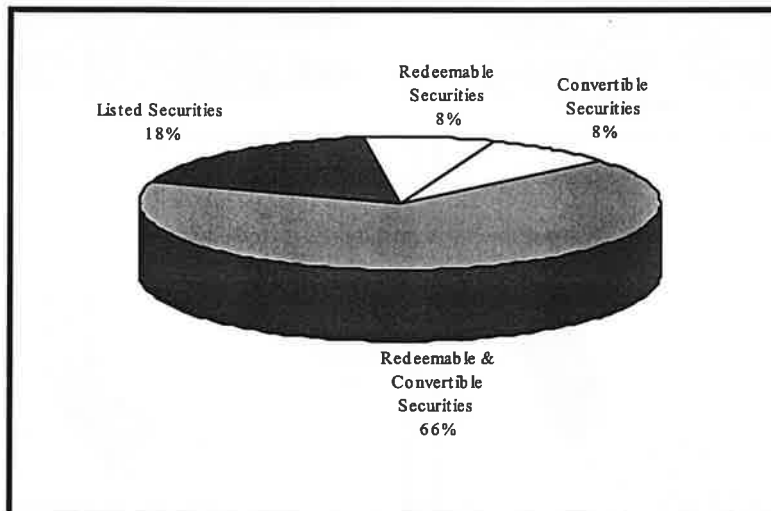
**RM4.37 billion**

By number of borrowers



**491 borrowers**

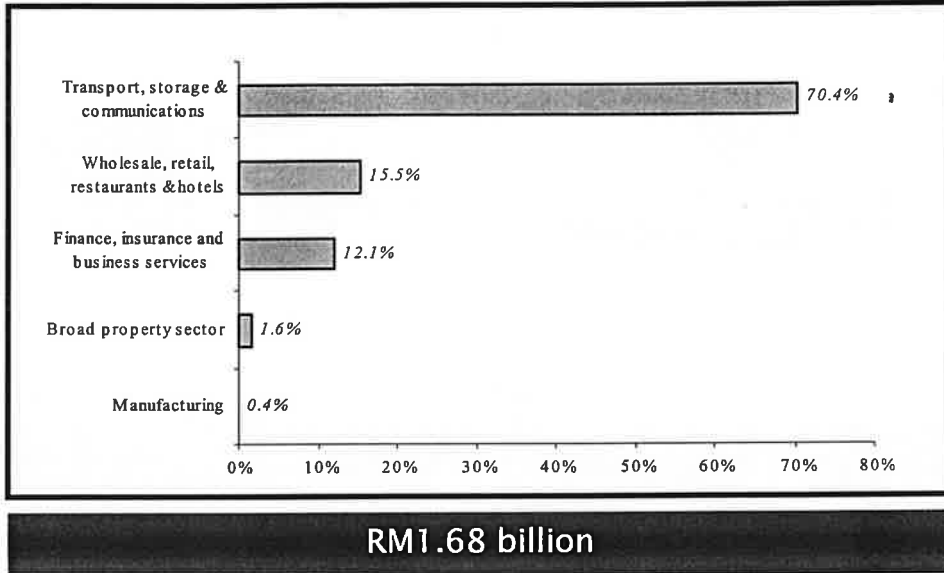
**PROPRIETARY SECURITIES**  
Stock as at 31 December 2001



**RM1.68 billion**

**PROPRIETARY SECURITIES BY SECTOR**  
**Stock as at 31 December 2001**

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**DANAHARTA HARTANAH PROPERTIES**  
**Market segment**

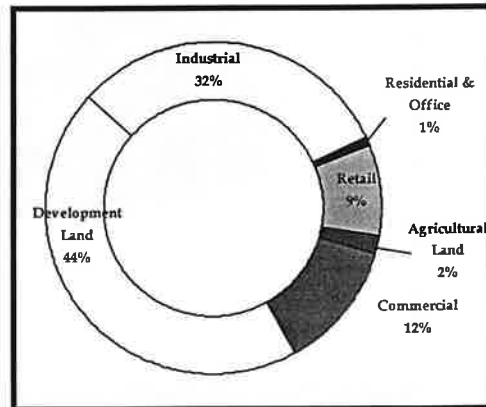
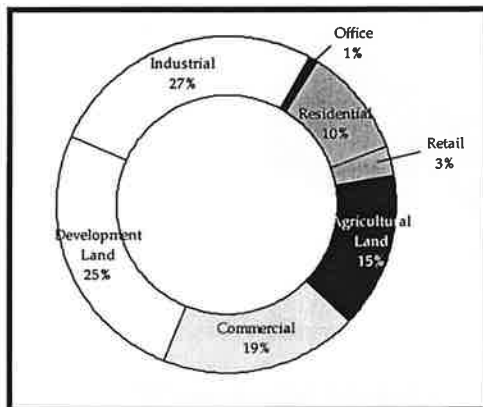
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**By Number**

**106 properties**

**By Value**

**RM470 million**



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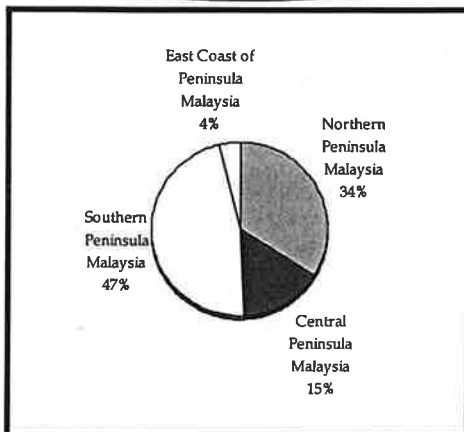
# DANAHARTA HARTANAH PROPERTIES

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## Location

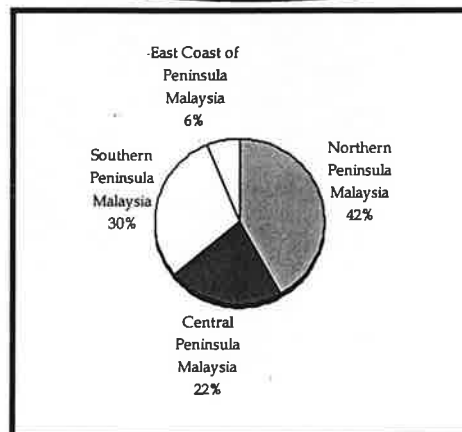
**By Number**

**106 properties**



**By Value**

**RM470 million**



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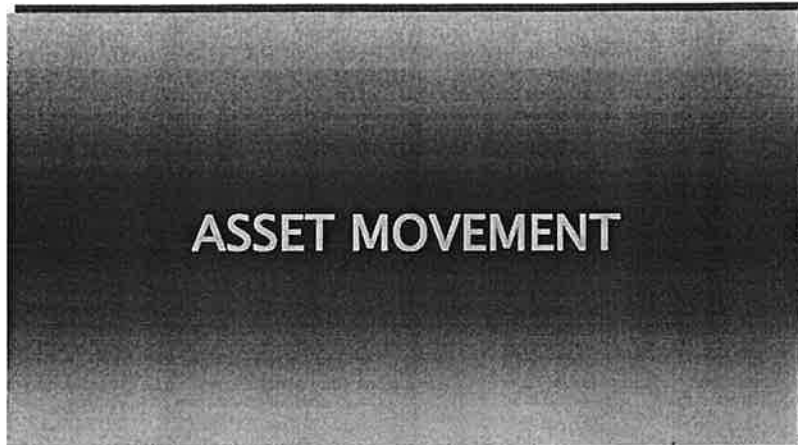
## DISTRIBUTION OF RECOVERY PROCEEDS as at 31 December 2001

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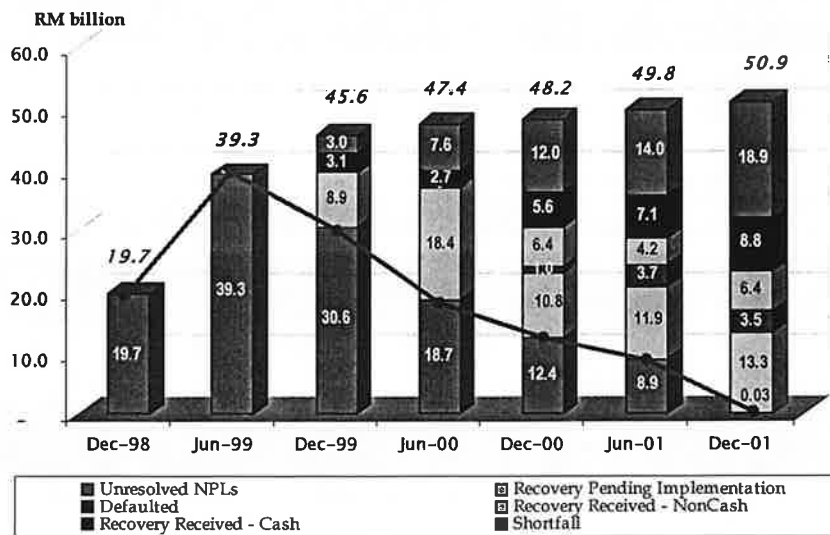
Distribution	Cash (RM billion)	Securities (units)
Recovery proceeds for loans under management - NPLs of BBMB Group and Sime Bank Group	7.67	-
Surplus recovery from acquired loans, distributed to 24 financial institutions	0.31	36.56
<b>Total distributed recovery</b>	<b>7.98</b>	<b>36.56</b>
		<b>Cash (RM billion)</b>
Cash realised from recovery operations (incl. adjustments)	9.69	
Less: Total distributed recovery	7.98	
Balance of cash available, that will contribute to the redemption of Danaharta bonds	1.71	
Total face value of bonds as at 31 December 2001	10.87	

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# DANA HARTA



## ASSET MOVEMENT AT SIX-MONTH INTERVALS up to 31 December 2001





Information On Danaharta can be found at

[www.danaharta.com.my](http://www.danaharta.com.my)

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