

Bank Pembangunan: 20% of loans non-performing

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IPOH: More than 20% of the RM1.4bil in outstanding loans given out by Bank Pembangunan to small- and medium-scale industries (SMIs) are non-performing loans (NPLs).

Its Banking Development Sector senior general manager **Megat Zabidi Megat Husain** said, however, legal action would only be taken against offenders after two years as a last resort if there were no other ways to recover the loans.

“If a loan is under NPL it does not mean that it cannot be rehabilitated.

“An NPL is a loan in default for more than six months. If possible we will try to revive it,” he said.

He was speaking to reporters at a seminar and expo for SMIs here yesterday.

Megat Zabidi said ‘because it was an

institution which helped mostly large-scale entrepreneurs and companies which were new to business, the risk faced by Bank Pembangunan was higher than that faced by commercial banks.

On Tuesday, Prime Minister **Datuk Seri Dr Mahathir Mohamad** announced that more than 10,000 bumiputra entrepreneurs currently facing problems with NPLs could get help from the recently launched **Entrepreneurs Recovery and Development Fund (TPPU)**.

The fund, which has **RM500mil**, has allocated **RM120mil** to resolve the problems of NPLs.

Megat Zabidi said the bank welcomed the move by **Dr Mahathir**, who is also Finance Minister, as it felt that the fund would help entrepreneurs who had been badly hit by the economic crisis.