

## **EPF says procedures followed in 13 mega-loans**

**Malaysiakini.com**

**November 2, 2011**

The Employees Provident Fund Board (EPF) today clarified that all the 13 loans worth RM55.10 billion it granted without a government guarantee were made in accordance with the procedures set.

The loans were given out within the provision of the EPF Act 1991 which gives EPF the power to provide loans to the federal and state governments and corporate entities subject to approval from the EPF Investment Panel and Finance Ministry.

The EPF said this in a statement in Kuala Lumpur today in response to several media reports on the Auditor-General's (AG) Report 2010 concerning the 13 loans granted without government guarantee.

It said the 13 loans consisted of direct lending to the government, government-backed securities and AAA-rated papers that did not require government guarantee.

Direct lending to the government accounted for 39 percent of the loans, while government supported securities took 48 percent and the remaining 13 percent of the loans were to AAA rated companies.

“When assessing a loan application, the EPF will ensure that each potential borrower has strong payback capability, good security arrangement and returns that are commensurate with the risks profile,” it said.

The EPF also stressed that it emphasized on its asset quality and that in monitoring its loan portfolio, it reviewed its borrowers' financial portfolio annually as well as made visits to project sites.

“All of the loans under RM55.10 billion have demonstrated a perfect record in interest servicing and loan repayment,” it said.

Copyright © 1999-2007 Mkini Dotcom Sdn. Bhd  
<http://www.malaysiakini.com/news/180346>