

5.8%

EPF dividend

>Highest payout ever at RM21.61 billion

KUALA LUMPUR: The Employees Provident Fund (EPF) has declared a 5.8% dividend for the year 2010, which will see the highest ever total dividend payout of RM21.61 billion to members.

"The RM21.61 billion dividend payout is the highest in history and a 11.55% increase over the RM19.37 billion paid out in 2009," EPF chairman Tan Sri Samsudin Osman said in a statement yesterday.

Samsudin said EPF's earning of

RM24.06 billion was also the highest in the history of Malaysia's largest pension fund, beating the previous record of RM17.22 billion earned in 2009.

"The improved financial and economic conditions provided the market with sufficient liquidity, allowing profit-taking activities throughout the year," he said, expressing confidence that the prospect and momentum would continue in this year.

He said the remarkable invest-

ment income achieved was especially driven by the performance of equity investments which earned RM10.94 billion representing 45% of the fund's gross investment income.

Loans and bonds which yielded RM7.02 billion were the second largest income contributor and Malaysian government securities earned RM5.3 billion for the EPF last year.

"The dividend paid out is derived after deducting net impairment allowance on financial assets, invest-

ment expenses operating expenditure and statutory charges as well as dividends on withdrawals," he said.

For the 2010 dividend payout, EPF required RM3.73 billion to pay 1% dividend rate as a result of the increased membership base, said Samsudin, adding that this represents an 8.67% increase over the RM3.43 billion paid for every 1% dividend rate for 2009. (see chart)

The 5.8% dividend declared is slightly higher than the 5.65% paid out for 2009.

In recent years, EPF had announced dividends of 4.5% for 2008, 5.8% for 2007, 5.15% for 2006 and 5% for 2005. The highest dividend rate ever paid was 8.5% in 1983 and 1986.

EPF is regarded as the sixth largest fund in Asia with a total asset of more than RM312 billion.

Members may check their EPF account statement for 2010 dividend payment, either via EPF kiosks, counters or *i-Akaun*, from today.

The announcement was lauded by the Malaysian Trade Union Congress (MTUC) and the Federation of Malaysian Consumers Association (Fomca).

MTUC secretary-general Abdul Halim Mansor said any percentage increase as compared with previous payouts represented good news for employees.

Fomca CEO Datuk Paul Selvaraj was happy with the news, saying those with EPF savings would benefit, as the better returns on investments are passed onto account holders.

