

**31 SENIOR  
MANAGEMENT  
STEERING  
THE DIRECTION  
FOR THE FUTURE OF EPF**

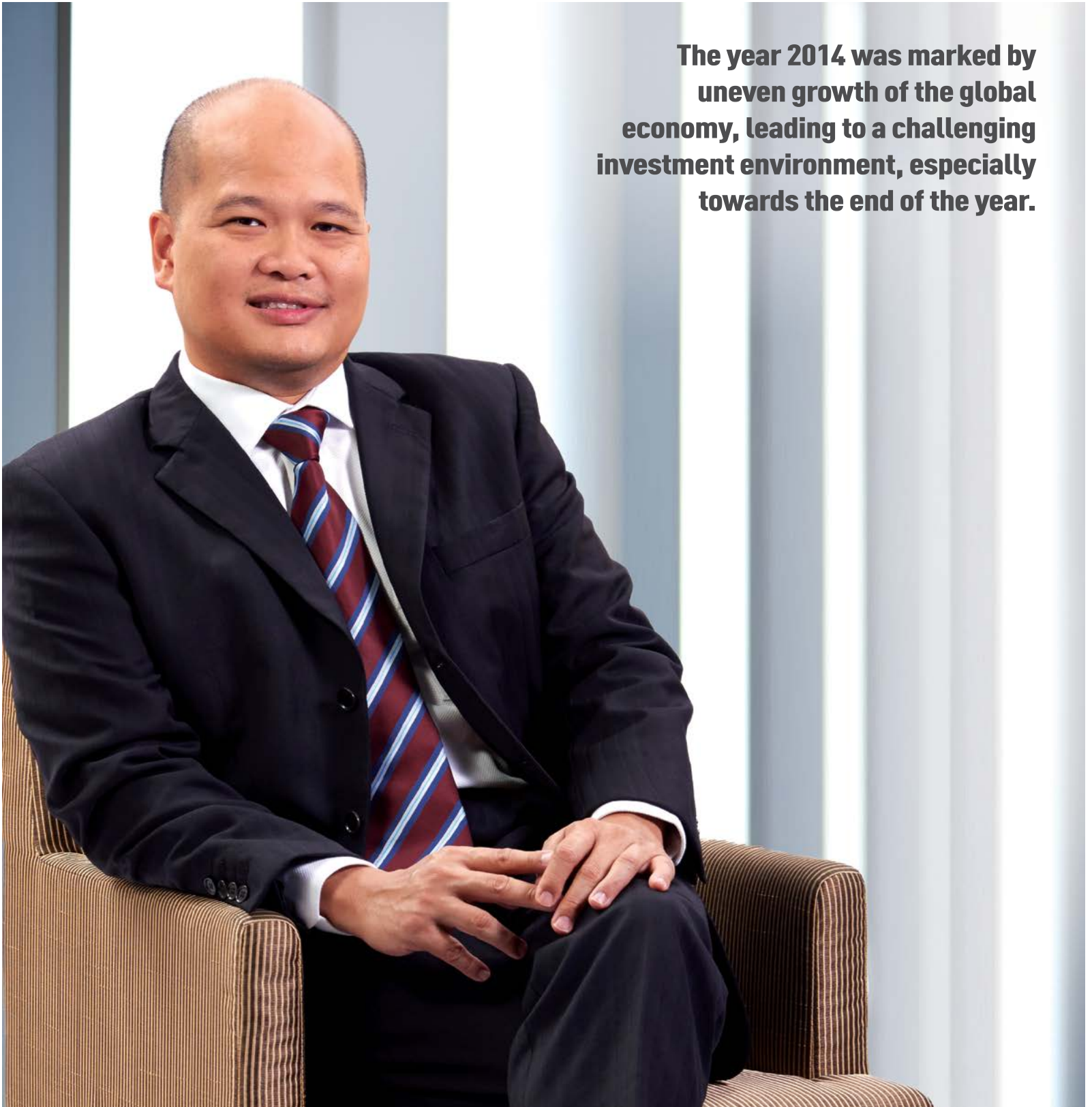
# Chief Executive Officer's Statement

**DATUK SHAHRIL RIDZA RIDZUAN**

Chief Executive Officer



**The year 2014 was marked by uneven growth of the global economy, leading to a challenging investment environment, especially towards the end of the year.**



## Chief Executive Officer's Statement (Cont'd.)

### RETURN ON INVESTMENT (ROI)

EPF achieved an ROI of

# 7.25%

with our equity investment delivering fourth consecutive years of double-digit ROI, which allowed us to declare a dividend of 6.75%.

### OUR FIRST MOBILE APP

The introduction of our first mobile app for the EPF i-Akaun, available on

**iOS** and **ANDROID** platforms.



### SHAPE A COMPREHENSIVE SOCIAL SECURITY ECOSYSTEM

We have begun to collaborate **MORE CLOSELY** with policy makers to shape a comprehensive and holistic social security ecosystem.



**Despite the challenges, the Employees Provident Fund (EPF) performed even better than the previous financial year. Our gross income improved significantly while operationally, we have continued to build on our IT platforms to further enhance the efficiencies of our internal processes as well as our customer delivery. At the same time, we continue to engage closely with the Government and related agencies to create a comprehensive social security system that would safeguard the financial adequacy of Malaysians upon their retirement.**

Economic growth was stronger in the US than the Eurozone, while China experienced a slowdown and Japan's gross domestic product (GDP) weakened in 2014. Spurred by domestic recovery, the US Federal Reserve began to taper off its quantitative easing (QE) in January 2014, reducing it by USD10 billion at each Federal Open Market Committee (FOMC) meeting. As a result, there has been a sizeable outflow of foreign funds from emerging markets, including Malaysia. Malaysia was further impacted by China's dampened trade, which meant a reduction in volume and value of exports to one of our biggest importing nations.

The outflow of US funds from the local capital market, compounded by a shrinking trade surplus, translated into a volatile Ringgit, which weakened to its lowest level against the US Dollar since 2010 in November 2014. Meanwhile, in a bid to strengthen the country's public finances, the Malaysian Government pushed ahead with its subsidy rationalisation programme which, in turn, spurred a hike in inflation to above 3.0% in 2014.

### THE EPF'S FINANCIAL PERFORMANCE

Despite the challenging financial landscape and the absence of one-off transactions during the year, the EPF achieved a return on investment (ROI) of 7.25%, with our equity investment delivering a fourth consecutive year of double-digit ROI, which allowed us to declare a dividend of 6.75%. This meets our stated commitment of providing a nominal dividend of not less than 2.50% and an average real dividend of more than 2.0% over a three-year rolling period.

Our robust financial performance is a direct consequence of the EPF's diversification policy, which has seen us channel increasingly more funds into international assets and across a wider range of asset classes.

From having 20% of our total assets in foreign investments at end 2013, we had 23% at end 2014, and are pleased to note that the Minister of Finance has given us the go-ahead to further increase this figure to 26%. The careful placement of funds overseas, especially in markets that have performed well such as the US and UK, enabled the EPF to weather the low interest rate environment.

## Chief Executive Officer's Statement (Cont'd.)

In line with our revised three-year Strategic Asset Allocation (SAA), we also continued to increase our allocations in inflation-linked assets such as real estate and infrastructure, which contributed RM1.39 billion in investment income in 2014, up by 22.31% from 2013.

Meanwhile, about half of our assets are still in low-risk fixed income investments which continue to provide a steady stream of stable income, as is necessary for a provident fund.

### GREATER EFFICIENCIES AND SERVICE DELIVERY

In addition to ensuring optimum financial returns for our members, the EPF has over the years been focusing on improving our efficiencies – both internally, in terms of our processes and systems; and externally, by improving members' accessibility to our services, and reducing the time and paperwork required to carry out transactions via online services.

In order to minimise errors as well as to reduce our resource and storage requirements, we have progressively migrated our manual systems onto digital platforms. For quicker, more seamless and less resource-intensive transactions with partners, we are also creating links between our IT network and those of third parties such as banks, hospitals, universities and relevant government agencies. As a result, the EPF is enjoying enhanced productivity and security while our members get to benefit from speedier service.

IT links with our partners do not just eliminate errors while enhancing speed, but also enable us to offer the convenience of online facilities to our members as well as employers. In 2013, we had introduced the online application of withdrawals for reducing housing loans as well as to make monthly payments on housing loans for members who have RHB housing loan accounts. This year, we expanded the facility to those with housing loan accounts at Maybank and plan to make it available to all members, irrespective of their banks, in due course.

An exciting new development in 2014 was the introduction of our first mobile app for the EPF i-Akaun, available on iOS and Android platforms. This brings essential information on the EPF to our members' fingertips, making it easier for them to keep track of their contributions and allowing them to provide feedback to us on defaulting employers.

The convenience of online facilities has not been lost on our members and employers, as evidenced by the numbers. By end 2014, a total of 1,199 online housing withdrawal applications had been approved. In fact, 174,083 total downloads via Google Play Store and 46,640 via Apple Apps Store were made for the EPF i-Akaun mobile app. Even more impressively, 80% of our members' monthly contributions are received electronically, especially through e-Caruman, which has shown phenomenal growth and now covers 52.85% employers.

On average, 76.02% of our members' transactions are performed online. Encouraged by this tremendous response, we will be rolling out more self-service options for both members and employers in the near future.

### STRENGTHENING THE SOCIAL SECURITY FRAMEWORK

As the EPF journeys towards becoming a world-class social security organisation, we have continued to build on our close ties with policy makers to shape a comprehensive and holistic social security ecosystem.

The reality is that 68% of EPF members aged 54 years have less than RM50,000 in their accounts, which is far below the minimum Basic Savings amount of RM196,800 set in 1 January 2014. This is largely attributed to members earning low salary. Out of our 6,659,036 active members, 8% of members earn between RM4,001 to RM6,000, 24% between RM2,001 to RM4,000 while 60% earn less than RM2,000 per month.

Compounded by the fact that 14% of the population will be 60 years and above by 2030, there is a critical need to set in place the right policies now to be able to manage issues that will arise as the nation ages. Among the approaches we have been advocating is a multi-pillar pension framework as propounded by the World Bank. The EPF's mandatory savings makes up one of these pillars, while public social assistance and healthcare form another. In 2012, when the Private Retirement Scheme (PRS) was launched, it effectively formed a third essential pillar to supplement members' EPF savings.

### LOOKING AHEAD

The year 2015 looks set to present fresh challenges, with an uneven global economic recovery and softer exports impacting emerging markets, some of which will be further constrained by slower domestic growth.

**Our robust financial performance is a direct consequence of the EPF's diversification policy, which has seen us channel increasingly more funds into international assets and across a wider range of asset classes.**

## Chief Executive Officer's Statement (Cont'd.)

**We are gradually transforming from a transaction-based organisation into one with a greater focus on retirement issues advisory.**

The Malaysian economy has started to show the effects of oil prices dipping below USD60 per barrel, with the Ringgit weakening to RM3.50 to the Dollar and a surge in the outflow of foreign funds towards year end. Though still bolstered by resilient domestic demand, we anticipate growth will be slower than in 2014 partly as a result of lower export earnings. Meanwhile, inflation is expected to average below 3.0%, driven mainly by lower oil prices and despite the introduction of GST.

To preserve our capital, the EPF will be more selective in choosing our stocks. We will also capitalise on the stronger US Dollar environment to enhance our income from overseas investments in Ringgit terms. Maintaining the same level of prudence in managing our assets while intensifying our portfolio diversification strategy, we are confident of generating sustainable returns for our members.

Operationally, the year 2015 promises to be very exciting for the organisation and our members, as we will be introducing a number of new online facilities to greatly enhance customer experience. Online withdrawals will be expanded to include those for education and critical illness. In addition, we will be working with partner banks, universities and hospitals to enable members to submit their withdrawals at these third-party premises. Currently, members are able to print their EPF statements at some partner banks using mobile handheld devices; our plan is for them eventually to be able to verify their thumbprints using the same closed-system platform at these banks.

For employers, our target is to encourage greater online contributions by small employers, especially those with fewer than 20 employees. A mobile app enabling contributions via smart devices will be introduced to hasten their migration to the online system.

We are gradually transforming from a transaction-based organisation into one with a greater focus on retirement issues advisory. This has been driven both by the need for heightened financial literacy in the country and our ability to redeploy counter resources who are being

freed from their previous roles as a result of greater adoption of online services. As a start, in July 2014 we launched the Retirement Advisory Service (RAS) as a pilot project at our main branches in Kuala Lumpur and Petaling Jaya. Based on the positive response garnered, the service will be expanded to six more branches in 2015 and a total of 18 branches by 2017.

The EPF as an organisation has made significant advances to meet the needs and expectations of our increasingly ICT savvy member base. We expect 2015 to be a breakthrough year in many ways as we continue to roll out more exciting electronic products and services.

I feel confident of our continued journey given the level of commitment throughout the organisation. For the successes we have already achieved, I would like to acknowledge the invaluable contributions of our Chairman and Board and every employee at the EPF. Let's continue to Live Our Values as we strive to become a leading global social security organisation.

I would also like to thank our numerous partners for working closely with the EPF; and employers for abiding by our regulations. As for our members, rest assured that your best interests will continue to influence our strategies and direction.



**DATUK SHAHRIL RIDZA RIDZUAN**  
Chief Executive Officer

# Organisation Structure



## EPF Deputy Chief Executive Officers



### DATO' MOHD NAIM DARUWISH

Operations Division

Dato' Mohd Naim Daruwish was appointed as Deputy Chief Executive Officer (Operations) of the EPF on 4 October 2014.

Dato' Mohd Naim holds a Bachelor of Law (LLB) degree from University of Malaya. He started his career in the Judiciary and Legal Services as Magistrate and Senior Magistrate from 1985 until 1992.

He joined the EPF in 1992 as Manager in the Prosecution / Litigation Division and has held several positions. These include being Senior Manager and General Manager of the Prosecution / Litigation Division, General Manager of Enforcement Department, Senior General Manager of Legal Department and Contribution Department. From December 2011 until September 2014, he was seconded to the Companies Commission of Malaysia (SSM) as its Chief Executive Officer.



### MOHAMAD NASIR AB. LATIF

Investment Division

Mohamad Nasir Ab. Latif was appointed as Deputy Chief Executive Officer (Investment) of the EPF on 15 April 2013.

He graduated in 1989 with a Bachelor in Social Science, majoring in Economics, from Universiti Sains Malaysia, and obtained a Certified Diploma in Accounting and Finance from the Association of Chartered Certified Accountants in 1996 and a Master of Science in Investment Analysis from the University of Stirling, United Kingdom, in 1999.

Mohamad Nasir started his career with the EPF in 1982 and has held several positions before being promoted to Deputy Chief Executive Officer (Investment). These include being State Enforcement Officer (1990–1995), Senior Research Officer, Manager and Senior Manager in the Investment and Economics Research Department (1995–2003) and General Manager of the International Equity Investment Department (July 2009–2013).

He is currently also a Board member of United Plantations Berhad, Plus Malaysia Berhad and Battersea Project Company Limited.



### TUNKU ALIZAKRI RAJA MUHAMMAD ALIAS

Strategy Division

Tunku Alizakri Raja Muhammad Alias was appointed as Deputy Chief Executive Officer of Strategy Division at the EPF effective 1 January 2014.

He holds a Master of Business Administration (MBA) from Cornell University and a Bachelor of Laws (LLB) from King's College, University of London. He has practised as an advocate and solicitor in the courts of Malaysia and is qualified as a Barrister (Lincoln's Inn) in the courts of England and Wales.

Tunku Alizakri has broad experience in strategic planning, communication, human resources and marketing. Prior to joining the EPF, he was the Chief Marketing Officer and Chief Operating Officer of The Iclif Leadership and Governance Centre. He has also held the positions of Director of Strategic Management in Bank Negara Malaysia, Director and Head of Strategy and Corporate Affairs at DiGi Telecommunications and Vice-President and Head of Group Strategic Planning at Maybank.

# Senior Management



**DATUK SHAHRIL RIDZA BIN RIDZUAN (DSIS),(PJN)**

Chief Executive Officer

**Academic Qualifications:**

- i. Master of Arts, University of Cambridge
- ii. Bachelor of Civil Law, University of Oxford



**DATO' MOHD NAIM DARUWISH (DSIS),(DIMP),(JMW)**

Deputy Chief Executive Officer Operations Division

**Academic Qualifications:**

- i. Bachelor of Law (LLB), University of Malaya



**MOHAMAD NASIR BIN AB LATIF**

Deputy Chief Executive Officer Investment Division

**Academic Qualifications:**

- i. Master of Science (Investment), University of Stirling, Scotland, UK
- ii. Bachelor in Social Science (Economics), Universiti Sains Malaysia (USM)
- iii. Cert. Diploma in Accounting & Finance (ACCA)



**TUNKU ALIZAKRI BIN RAJA MUHAMMAD ALIAS**

Deputy Chief Executive Officer Strategy Division

**Academic Qualifications:**

- i. Master of Business Administration (MBA), Cornell University, Ithaca, New York
- ii. Barrister at Law, Lincoln's Inn, London
- iii. Bachelor of Laws (LLB), King's College, University of London, London



**JAMES LIM TUANG OOI (AMN)**

Head Risk Management Department

**Academic Qualifications:**

- i. Certified Public Accountant, Malaysian Institute of Certified Public Accountants
- ii. Chartered Accountant, Malaysian Institute of Accountants



**WONG CHEN CHEONG**

Head Internal Audit Department

**Academic Qualifications:**

- i. Master of Science in Financial Decision Analysis, University of Portsmouth, UK
- ii. Bachelor of Arts (Economics), University of Malaya (UM)

## Senior Management (Cont'd.)



**HARDIAL SINGH A/L MITT SINGH**

Head Enforcement Department

**Academic Qualifications:**

- i. Bachelor of Arts (Hons) in Political Science, Universiti Kebangsaan Malaysia (UKM)



**SAZALIZA BIN ZAINUDDIN**

Head Finance Department

**Academic Qualifications:**

- i. Associate of Chartered Certified Accountants (ACCA), UK
- ii. BA (Hons) in Accounting and Finance, Southbank University, London
- iii. Diploma in Accounting, Universiti Teknologi Mara (UiTM)



**ZAINAB BINTI HAMID**

Head Procurement Management Department

**Academic Qualifications:**

- i. Master of Business Administration (MBA), Universiti Putra Malaysia (UPM)
- ii. Bachelor of Business Management (Honours), Universiti Kebangsaan Malaysia (UKM)



**ONG HOCK CHYE (PJK)**

Head Operations Transformation and Coordination Department

**Academic Qualifications:**

- i. Bachelor of Economics (Business Administration) (Honours), University of Malaya
- ii. Certified Diploma in Accounting and Finance (ACCA), UK



**CINDY TAN LER CHIN (AMN)**

Head Investment Compliance Department

**Academic Qualifications:**

- i. Bachelor of Economics (Statistics), Universiti Kebangsaan Malaysia (UKM)
- ii. Diploma in Investment Analysis, Malaysian Association of Productivity
- iii. Diploma in Accounting & Finance, The Chartered Association of Certified Accountants



**TAMILWANAN A/L PALANIAPPAN**

Head Property Management Department

**Academic Qualifications:**

- i. Bachelor of Economics (Business Administration), University of Malaya (UM)
- ii. Certified Diploma in Accounting And Finance (CDipAF), ACCA

## Senior Management (Cont'd.)



**MOHAMAD HAFIZ BIN KASSIM**  
Head Private Markets Department

**Academic Qualifications:**

- i. Chartered Financial Analyst (CFA)
- ii. Fellow of the Association of Chartered Certified Accountants (ACCA)
- iii. Bachelor of Science (Economics) in Accounting and Finance, London School of Economics and Political Science, UK



**ZALINAH BINTI A. HAMID**  
Head Domestic Equity Department

**Academic Qualifications:**

- i. Master of Business Administration in International Business, New Hampshire College, USA
- ii. Bachelor of Science in Accounting, New Hampshire College, USA
- iii. Diploma Accounting, Universiti Teknologi Mara (UiTM)



**ROHAYA BINTI MOHAMMAD YUSOF**  
Head Capital Market Department

**Academic Qualifications:**

- i. Australian Society of Certified Practising Accountants (ASCPA)
- ii. Bachelor of Commerce (Accountancy), Australian National University, Canberra, Australia



**BAHRUDIN BIN JAWADI**  
Head Contact Management Centre Department

**Academic Qualifications:**

- i. Bachelor of Science in Resource Economics, Universiti Pertanian Malaysia (UPM)
- ii. Diploma in Islamic Studies, Universiti Kebangsaan Malaysia (UKM)



**AZMI BIN AWANG (AMN, ASK)**  
Head Contribution Department

**Academic Qualifications:**

- i. Bachelor of Economics (Agricultural Economics) (Honours) Universiti Kebangsaan Malaysia (UKM)



**TENGGU ROSHANI BINTI TENGGU EMBONG**  
Head Registration and Support Operation Department

**Academic Qualifications:**

- i. Master of Science in Human Resource Development, Universiti Pertanian Malaysia (UPM)
- ii. Bachelor of Social Sciences and Humanities (Communications) (Honours), Universiti Kebangsaan Malaysia (UKM)

## Senior Management (Cont'd.)



**VIJAYA KUMAR A/L C. RAJARATNAM (AMN)**

Head EPF Learning Centre

**Academic Qualifications:**

- i. Master of Business Administration in Financial Studies, University of Nottingham, UK
- ii. Bachelor of Arts in Economics, University of Malaya (UM)
- iii. Certified Diploma in Accounting & Finance (CDipAF), ACCA
- iv. Associate Member of Chartered Institute of Secretaries and Administrators (ACIS), UK
- v. Certified Training Professional (CTP), Asian Regional Training and Development Organisation International



**NOR AZAM BIN YAHYA**

Head Equity Research Department

**Academic Qualifications:**

- i. Chartered Financial Analyst (CFA)
- ii. Bachelor of Science in Economics & Mathematics, Bristol University, UK



**NIK AFFENDI BIN JAAFAR (ASK)**

Head Integrity and Corporate Governance Department

**Academic Qualifications:**

- i. Master of Science in Public Relations, University of Stirling, Scotland, UK
- ii. Diploma in Public Relations, Universiti Teknologi Mara (UiTM)



**KHALID BIN HARON @ SHAHRON**

Head Capital Department

**Academic Qualifications:**

- i. Bachelor of Social Science in Development Studies, Universiti Sains Malaysia (USM)



**NORIZAH BINTI HASSALLI (PJK)**

Head Network Service Department

**Academic Qualifications:**

- i. Master of Science in Professional Accounting, University of Hartford, Connecticut, USA
- ii. Bachelor of Science in Business Administration (Accounting), University of Hartford, Connecticut, USA
- iii. Diploma in Accounting, Universiti Teknologi Mara (UiTM)



**ZALIKAR BINTI YUSOFF**

Head Withdrawal Operation Management Department

**Academic Qualifications:**

- i. Bachelor of Economics (Honours), University of Malaya (UM)

## Senior Management (Cont'd.)



**BADRUL HISHAM BIN DAHALAN**

Head Quantitative and Performance Analysis Department

**Academic Qualifications:**

- i. Master of Arts in Actuarial Science, Ball State University, Muncie, Indiana, USA
- ii. Bachelor of Science in Actuarial Science, Ball State University, Muncie, Indiana, USA



**NURHISHAM HUSSEIN**

Head Economics and Capital Market Department

**Academic Qualifications:**

- i. Master of Arts in Economics, University of Malaya
- ii. Bachelor of Science in Economics (Monetary Economics), London School of Economics and Political Science, UK



**LIM TZE SEONG**

Head International Equity Department

**Academic Qualifications:**

- i. Master of Business Administration, University of Wales
- ii. Chartered Institute of Management Accountants, UK
- iii. Certificate in Accounting and Business Computing, TAR College



**BALQAÏS YUSOFF**

Head Strategy Management Department

**Academic Qualifications:**

- i. Master of Business Administration, Durham University
- ii. Bachelor of Arts, University of Wisconsin-Madison, USA



**LIM CHING HUI**

Head Information Technology Department

**Academic Qualifications:**

- i. Bachelor of Arts in Computer Science, University of Cambridge, UK



**AZIZOL ZAINOL**

Head Treasury Department

**Academic Qualifications:**

- i. Bachelor of Arts in Economics, University of Michigan, Ann Arbor, USA



**Z Aidatul MAZWIN IDRUS**

Head Legal Department

**Academic Qualifications:**

- i. Bachelor of Law, International Islamic University of Malaysia