



ACHIEVING A BETTER FUTURE



KWSP | EPF

ANNUAL REPORT 2016

Facts at a Glance

2016

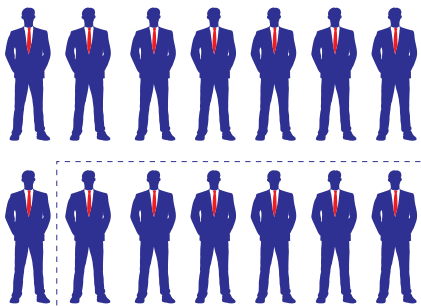


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www.kwsp.gov.my

14,806,595

members



EMPLOYEES
+ **EMPLOYERS**

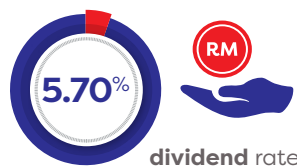


= RM61,594.29 million

in annual contribution, from **employees** and **employers**

6,882,983

of whom are **actively contributing**

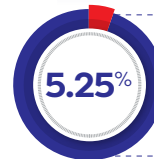


RM46,557.22 million
in **total gross income**, up



540,833
employers contributing to the EPF

RM37.08
billion
dividend payout

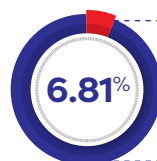


RM46,804.68

million
in **total withdrawals** in 2016



RM731,111.78 million
in **total investment assets**, up



TOTAL WITHDRAWALS



Number of **Acceptance**

2,360,076



Number of **Approval**

2,267,723

Total Withdrawals

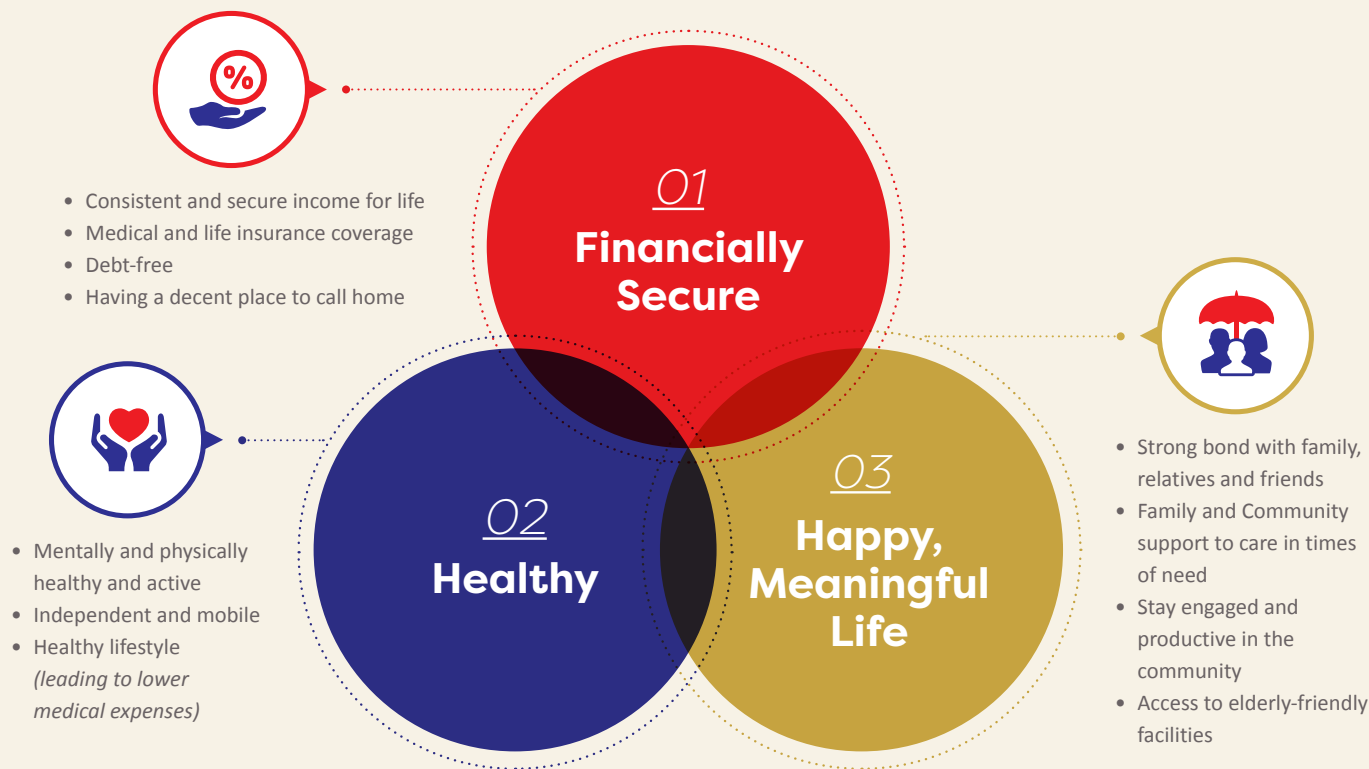
RM46.80
billion

Sources:

- Executive Information System (EIS) for Number of Members and Employers
- Data Warehouse for Total Withdrawals (Number of Acceptance and Approval)

Vision of a Comfortable Retirement

The three main components of a comfortable retirement are **Financial Security**, **Good Health** and a **Happy and Meaningful Life**.



The aspiration for a **Comfortable Retirement** is aligned with the EPF's Vision of **Helping Members Achieve a Better Future** and its Mission to **Safeguard Members' Savings and Deliver Excellent Services**.

EPF's aspirations in the next five years

Aiming to create a better retirement future

<p>At least half of our members meeting the minimum basic savings according to age band.</p>	<p>Members are empowered to make informed financial decisions and choices that are aligned to their lifestyle and values.</p>	<p>Members can rely on multiple income sources and protection, to mitigate against longevity risks, to supplement EPF's retirement savings, resulting in a sustainable retirement for life.</p>	<p>Strong and sustainable social protection for the elderly in place, for members to achieve retirement well-being.</p>
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Understanding and determining our **Desires, Wants and Needs** form the foundation towards achieving a robust and healthy financial standing.



WHAT DOES IT MEAN TO BE FINANCIALLY HEALTHY?

<p>Percentage of income going into savings</p> <h1>30%</h1>	<p>Sustainability of 'Rainy Day' Funds</p> <h1>6 months</h1>	<p>Replacement Rate of Last Drawn Salary*</p> <h1>>60%</h1>
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**Dependent on lifestyle, affordability and goals*

Facts at a Glance

2016

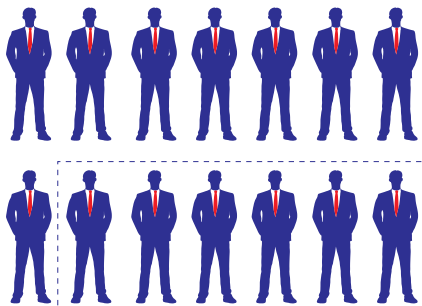


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14,806,595

members



EMPLOYEES
+ EMPLOYERS



= RM61,594.29 million

in annual contribution, from employees and employers

6,882,983

of whom are actively contributing



RM46,557.22 million
in total gross income, up



from RM44,234.03 million
in 2015



540,833
employers contributing to the EPF

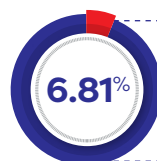
RM37.08
billion
dividend payout

RM46,804.68

million
in total withdrawals in 2016



RM731,111.78 million
in total investment assets, up



from RM684,526.44 million
in 2015



TOTAL WITHDRAWALS



Number of Acceptance

2,360,076



Number of Approval

2,267,723

Total Withdrawals

RM46.80
billion

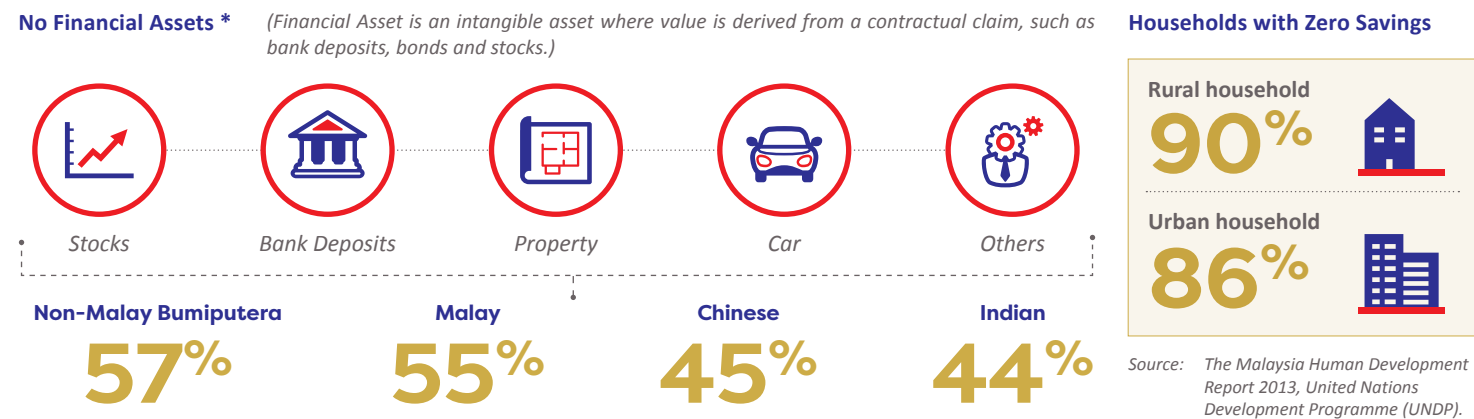
Sources:

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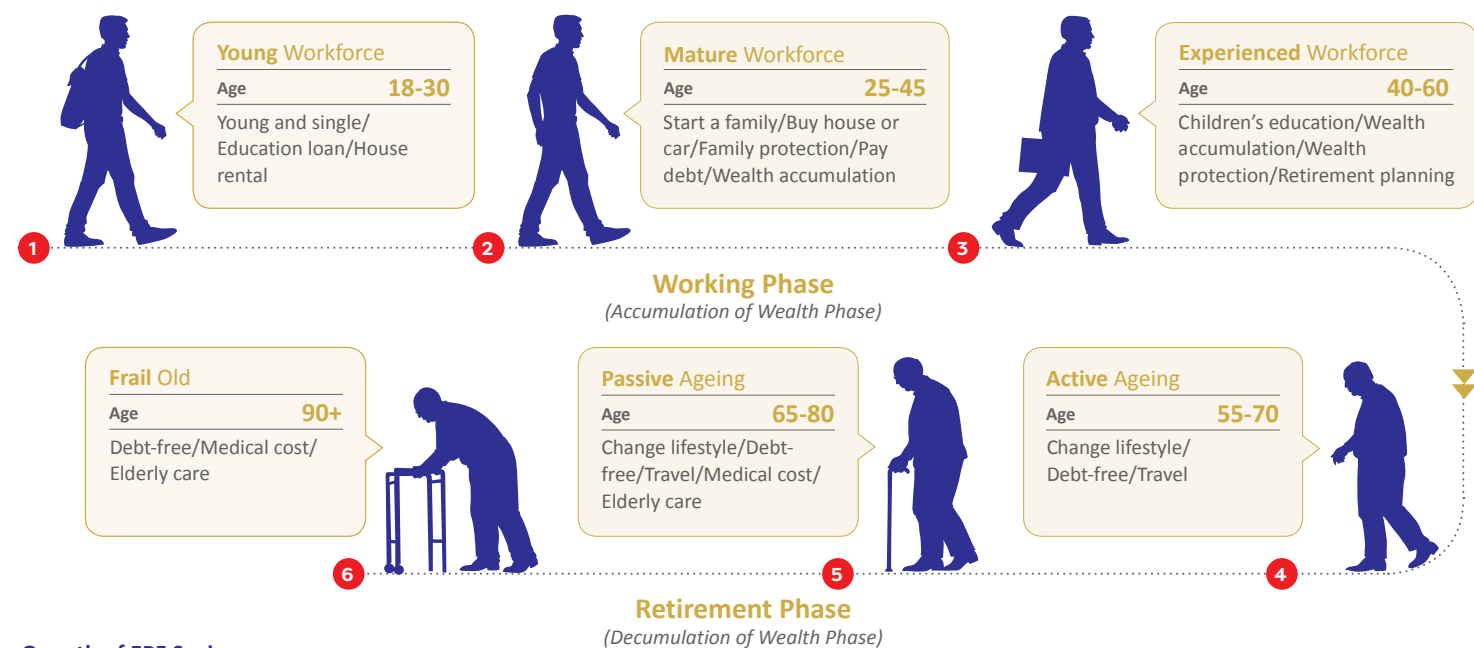
Current Retirement Scenario in Malaysia

More than half of Malaysian households have no financial assets; one in three Malaysians do not have a savings account.

FINANCIAL REALITY OF AN AVERAGE MALAYSIAN



FINANCIAL LIFE CYCLE



Growth of EPF Savings



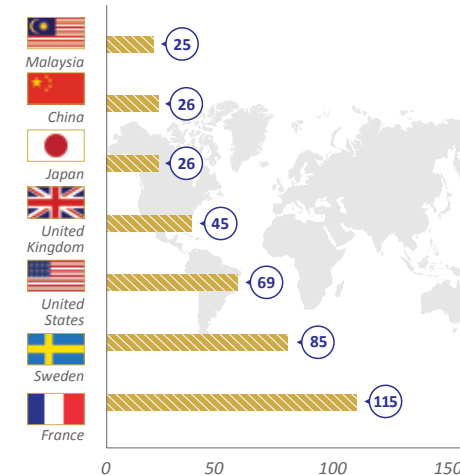
OPTIONS TO DIVERSIFY YOUR NEST EGG

- Savings**
 - EPF Savings
 - Private Retirement Scheme
 - Personal Savings
 - Fixed Deposits
 - Others
- Protection**
 - Life
 - General
 - Medical
 - Annuity
 - Education
 - Estate Planning
- Investment**
 - Unit Trust
 - Securities
 - Bonds
 - Commodities
 - Real Estate
- Phased withdrawals (EPF and personal savings)
- Annuity payments
- Protected by healthcare/other insurance
- Bequests

Malaysia is fast heading towards becoming an **Aged Nation by 2030**, whereby 14% of the population will be aged 60 and above.

LONGEVITY RISK

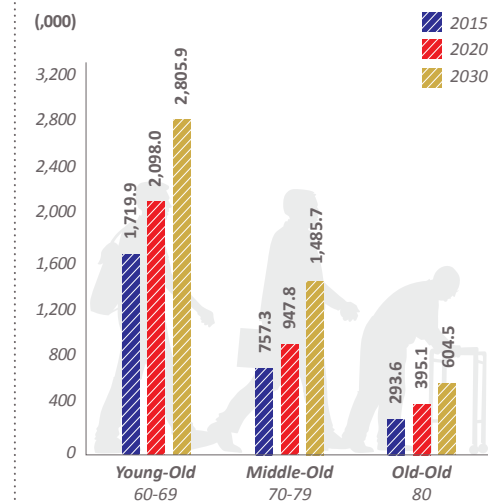
Ageing rate in Malaysia against other countries



- The interval in which the percentage of population aged 65 and above doubles from 7 to 14 per cent
- Malaysia is ageing faster than other countries

Source: National Institute of Aging, USA, "Why Population Aging Matters: A Global Perspective" (2011)

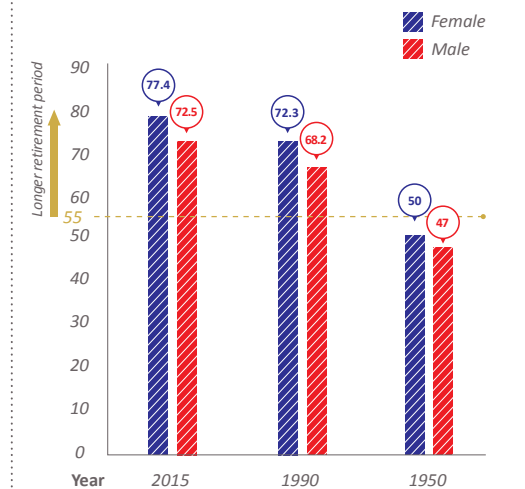
Projection of the elderly population in Malaysia



- The elderly group will double/triple within 15 years (2015-2030)

Source: Department of Statistics, Malaysia, "Population Projection 2010-2040" (2012)

Malaysians are living longer



- Average life expectancy is approximately 75 years old*
- Retirement savings withdrawal is still at age 55 since 1952

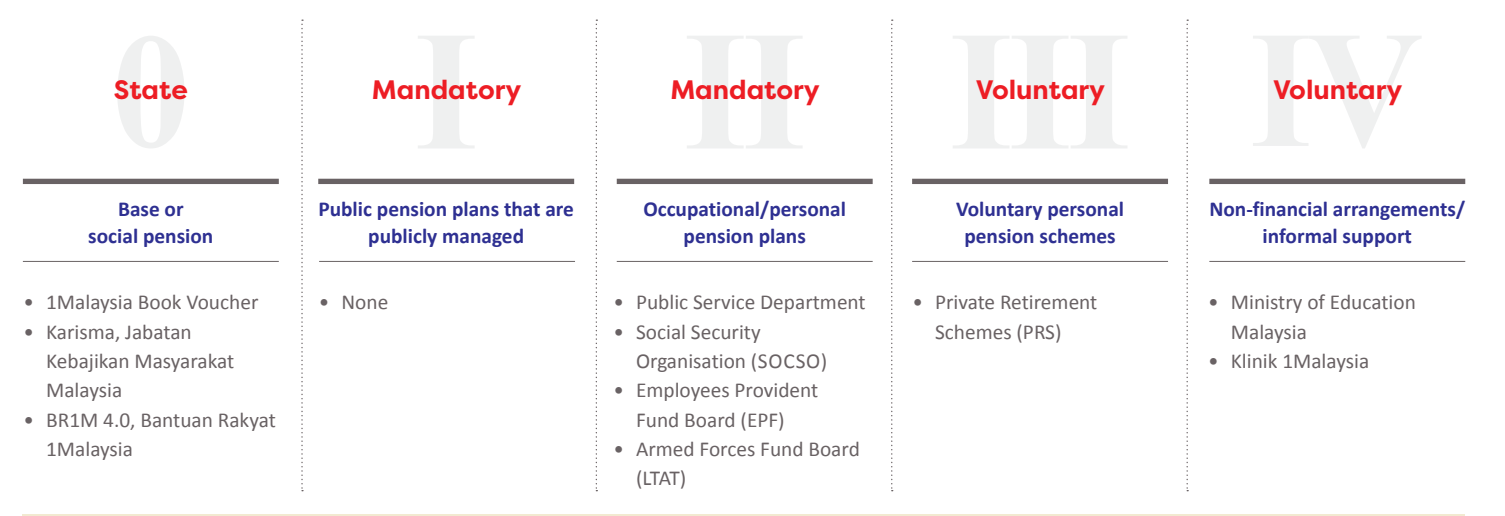
*Source: United Nations Population Division

There is an urgent need to establish a **holistic Social Security Framework and Infrastructure** to streamline all the social security programmes in Malaysia.

FRAGMENTED MALAYSIAN SOCIAL SECURITY INFRASTRUCTURE

A holistic approach is urgently required

World Bank's Pension Conceptual Framework



KWSP

Kami komited
Kami sedia berbakti
Visi dan misi
Terus dihayati
Di mata dunia harapan kami

KWSP

Kami berikrar
Nilai murni dijaga
Telus dan integriti
Amalan bersama
Kualiti perkhidmatan
Tetap diutama

CHORUS:

Kepada ahli
Kepada majikan
Janji kami
Anda diutamakan

Berkorban pasti
Ikhlas menabur bakti
Bersatu hati
Demimu KWSP

Yakin kami melangkah
Menuju wawasan yang cemerlang
Demi simpanan hari tua anda
Dan pembangunan negara
Demi KWSP yang tercinta

THE ESSENCE OF THE EPF SONG

The song expresses the dedication and commitment of EPF staff to give their very best as part of our promise to maintain an excellent service delivery to members and employers.

We realise our mandate to safeguard members' savings must always remain a top priority.

Every day is about giving our very best; now and into the future.

Vision

Helping Members
Achieve a Better
Future

Mission

Safeguard Members'
Savings and Deliver
Excellent Services



Cover Rationale

ACHIEVING A BETTER FUTURE

We continue our journey to become a premier retirement savings organisation, trusted by members and across generations. Today we are able to offer innovative and first of its kind products such as Simpanan Shariah and Retirement Advisory Service (RAS), as well as a wide variety of other world-class products and services. Our future is you: we will ensure our members receive a positive experience, irrespective of the channel - be it kiosks, online, phone, face-to-face, or through traditional mail.

We strive for expediency, accuracy and reliability. It's our new brand; the new way we think - in line with our ambition of continuously improving, our resolve to be steadfast in meeting customer's expectation, teamwork and all the while upholding the highest integrity - to achieve a better future across all demographics of our members.



1. Install a QR code reader app. Download the app from Apple App Store or Google Play with your smartphone.
 2. Click the app and install (Please check your device compatibility before installing).
 3. Once installed, click 'open' and run the app.
 4. Select 'Scan Barcode'.
 5. Point your camera to the QR code below. Hold your camera steady to focus.
- >> Scan this QR code to view EPF's Official Website, Annual Report Section.

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