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PRs AUM Touches RM500 Million Mark with 100,000 Members

PETALING JAYA, 2 October 2014 – Private Pension Administrator Malaysia (PPA), the country's central administrator for voluntary Private Retirement Schemes (PRs), today announced that the asset under management (AUM) for PRs has hit the RM500 million mark as member base for the voluntary long-term retirement saving and investment scheme rose to 100,000 members. The AUM and member base increased 79% and 52% respectively from end December 2013.

In a statement issued today, PPA Chief Executive Officer Dato' Steve Ong said, "This is a milestone achievement for the PRs industry to accomplish within a short time frame of less than 2 years."

According to PPA, the significant increase was buoyed by the combined efforts of PRs industry players and PPA in building and promoting the awareness for PRs, which awareness level is expected to rise to 35% by year-end from last year's 25%. PPA added that its focus of providing more PRs retirement planning information and education this year also helped the public see the urgent need to adequately save for retirement.

Based on PPA's statistics, there are widespread take up for the PRs across the country, with the top three locations being Selangor (33%), Federal Territory of Kuala Lumpur (16%) and Penang (12%). And as PRs seeks to enhance retirement funding choices for all Malaysians, it is encouraging to note that self-employed individuals constitute 16% of PRs member base.

Since start of 2014, PPA has also been witnessing substantial sign-ups for PRs amongst young adults, thanks to the introduction of the PRs Youth Incentive for Malaysians aged between 20 to 30 years old who contribute a minimum RM1,000 to PRs within a calendar year. From the period of January to June 2014, 10,220 of PRs youth members had qualified to receive RM500 under the government's PRs Youth Incentive. The first tranche of incentive payment, amounting to RM5.11 million, has already been disbursed to PRs Providers to be credited into members' PRs account.

"While the Government's RM500 incentive is a motivating factor, we also recognise that this is a sign youths are embracing the importance of starting their retirement planning as early as possible. The sooner they start saving for retirement, the more financial security they will have at retirement due to a longer accumulation phase and compounding period," Ong commented.



Based on PPA's statistics, the 20 to 30 age group currently makes up 25% of PRS member base, up from a mere 8% in end-December 2013. The 25% also exceeded PPA's earlier target for achieving 20% for the age group by year-end.

"Government incentive definitely bodes well for the PRS industry. With continued momentum, we are confident the industry can double-up its 2014 membership base from 2013's 65,000 members. With the year-end coming soon, the public would be rushing to take advantage up to RM3,000 in tax relief for contributions in PRS," explained Ong.

For more information, visit the PPA website at www.ppa.my or e-mail askPPA@ppa.my or call the hotline at 1300 131 PPA (772).

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About Private Pension Administrator Malaysia (PPA)

Private Pension Administrator Malaysia or PPA is the central administrator for the PRS industry. PPA is a body approved by the Securities Commission Malaysia and is established to administer and promote the growth and operation of the PRS industry.

PPA's task is to facilitate and maintain all PRS-related transactions via a life-time central PRS account for PRS members. PPA is also responsible for the promotion and general awareness on PRS and serves as a one-stop resource centre for the PRS industry and PRS members in Malaysia. The PPA plays a significant role in enabling infrastructure for supplementary retirement savings. It promotes an efficient administration to help account holders conveniently monitor their PRS funds.

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