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Press Release

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Employees' Provident Fund Department

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Response of Employees' Provident Fund (EPF) regarding Statement made by Standard and Poors' on 19th June 2012

Our attention is drawn to a statement made by Standard and Poors' that was issued yesterday, in which they seem to have drawn attention to a possible conflict of interest as a result of the EPF investing in shares of banks. In this regard, the EPF wishes to state that different departments in the Central Bank deal in exclusive fields of different operations with high confidentiality and professionalism. Within the Central Bank, the EPF Department functions independently from all other departments of the Central Bank, with stringent firewalls that have been established for this purpose. These are adhered to at all times and the integrity of the Central Bank or the EPF is not compromised in any way.

Based on the above, the EPF wishes to affirm that there has been no conflict of interest and that the EPF believes that this statement by Standard and Poors' seems to be based on certain recent allegations that have obviously been designed to achieve the objective of discrediting the EPF.

Further, the EPF wishes to state that the banking sector is one of the fastest growing and most profitable sectors in the CSE. In that context, being the country's biggest Fund, it would be highly prejudicial to the local EPF members, if the EPF were to refrain from investing in such a sector.