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15 November 2017

**Press Statement by The Honourable Dato' Sri Hasan Bin Arifin,  
Chairman of Public Accounts Committee (PAC) of The Parliament  
Regarding the Tabling of PAC Report on The Management of Bank  
Pertanian Malaysia Berhad (AGROBANK) Under the Ministry of  
Agriculture and Agro-Based Industry (MOA) and Bank Pertanian  
Malaysia (AGROBANK)**

- 1) PAC tabled the PAC Report on the Management of Bank Pertanian Malaysia Berhad (AGROBANK) under the Ministry of Agriculture and Agro-Based Industry (MoA) and Bank Pertanian Malaysia (AGROBANK) at the House of Representatives today.
- 2) This issue is the findings of the National Audit Department (NAD) in the Auditor General's Report 2014 Series 2, tabled in the House of Representatives on 23 November 2015.
- 3) PAC called for proceedings on this issue, on 26 October 2016 by calling MoA Secretary-General, Datuk Seri Dr. Ismail Bakar and Datuk Wan Mohd Fadzmi Wan Othman, AgroBank President and Chief Executive Officer to give explanations on the issue raised by NAD in the Auditor General's Report 2014 Series 2.
- 4) In the proceedings, PAC raised the following issues:
  - i) Achievement of the Key Performance Indicator (KPI)
  - ii) Performance of the Deposit Financing Fund`

iii) Unachievable of Fee Revenue Target

iv) Write-off

5) Based on the proceedings, PAC summarised that:

i) Overall, PAC is satisfied with Agrobank's achievement in providing complete financial services in accordance with market and customer needs, with sustainable finances for specific target groups, agro, micro, small and medium entrepreneurs as well as identified individuals in line with the National development policy.

ii) In addition, the Agrobank approach which is introducing AgroAgent to expand banking services to rural areas should be complimented. However, the number of AgroAgent is still small in Sabah and Sarawak compared to the Peninsular.

iii) PAC also informed that Agrobank is no longer received grants from the Government since 2012. Therefore, PAC is of the opinion that financial resources received by Agrobank from the Government worth RM1.152 billion in the form of loans are inadequate to cover the need for loans by the farmers and rural communities.

6) Following that, PAC recommends the following to the Government:

i) The number of Agrobank and AgroAgent branches should be increased especially in Sabah and Sarawak to enable more farmers living in rural areas to have the access for the banking services.

ii) Agrobank should continue to focus on assisting farmers to develop the country's agricultural sector even though Agrobank is no longer received grants from the Government without neglecting the interests of depositor.

iii) The Government should continue giving grant to Agrobank to assist farmers and agricultural entrepreneurs to expand their business.

- 7) For those who like to read further on the PAC Report on the Management of Bank Pertanian Malaysia Berhad (AGROBANK) under the Ministry of Agriculture and Agro-Based Industry (MoA) and Bank Pertanian Malaysia (AGROBANK), it is available for download at [www.parlimen.gov.my/pac](http://www.parlimen.gov.my/pac)

Hon. Dato' Sri Hasan Arifin  
Chairman of Public Accounts Committee  
Parliament of Malaysia