

Bank Negara Malaysia's Business Plan 2012-2014

Overview

The Bank charts its medium-term outcomes through three-year business plans. In 2014, the Bank concluded its 2012-2014 Business Plan (BP). The business planning process provides clarity and focus in achieving the Bank's mandates, in addition to facilitating the convergence of roles and better coordination, particularly where specific outcomes are shared across various departments within the Bank. The BP has also been useful in communicating the Bank's planning priorities and deliverables with external stakeholders.

The Bank's BP has seven focus areas. Each of these areas is supported by specific outcomes and strategies, which provides visibility across the broad mandates of the Bank. The focus areas cover monetary and financial stability; developing a progressive and inclusive financial system; evolving a more efficient e-payments eco-system; ensuring effective financial intermediation; and strengthening Malaysia's financial linkages with regional and global economies. Equally important is the focus on enhancing the Bank's internal capacity and capability to deliver its mandates effectively in the nation's best interests. The Bank's role toward meeting its mandates is multi-faceted, and includes research, surveillance, regulation, supervision, treasury operations and an advisory role to the Government. The BP is outcome-driven, and regular assessments are made on the Bank's performance against the BP, which is presented at the end of every year to the Board. This operational accountability to the Board also provides an effective feedback mechanism for the Board in performing its oversight function.

Key Achievements of the Business Plan 2012-2014

The Bank continued to sustain its strong performance in achieving its mandates, with a broad range of measurable outcomes across the seven focus areas, which included many of the longer-term initiatives under the 10-year Financial Sector Blueprint. Highlights of the key achievements are provided below, with details having been reflected in prior annual reports:

- Monetary and financial system stability continued to be preserved, which provided a conducive environment for economic activity and contributed to economic growth. Pre-emptive actions were taken to address risks to monetary and financial stability, particularly in managing the risks of financial imbalances within a challenging environment of volatile capital flows.
- Domestic financial intermediation was well-supported by sound financial institutions, orderly financial market conditions and sustained confidence in the financial system. In particular, financing continued to flow to productive sectors of the economy, supporting job creation and economic growth. Important to this is the robust surveillance mechanism and strengthened regulatory and supervisory frameworks. The Bank's enforcement efforts were strengthened to preserve the integrity of, and confidence in, the Malaysian financial sector.
- The Bank made further progress in expanding opportunities for higher value activities within the Malaysian financial system, notably by further solidifying Malaysia's position as the World's Islamic Finance Marketplace; strengthening the eco-system for multi-currency trading; and establishing initiatives to build or further modernise the institutions that can provide a full range of financial services education for both domestic and international talent development. During the 2012-2014 BP, the Bank established the Financial Sector Talent Council and the Financial Services Professional Board to provide a strategic focus on talent development and to raise professional standards of conduct in the financial sector.
- The Bank's role in the international community continued to increase, enabling it to play a more prominent role in shaping central banking issues at the regional and global level. Significant progress was made in intensifying collaborative efforts with other central banks to strengthen regional crisis management. In addition, the Bank also contributed to thought leadership at international financial forums by sharing the Bank's insights, experiences and views on the critical challenges facing central banks. The choice of Kuala Lumpur as the new headquarters of Alliance for Financial Inclusion would provide an opportunity for the Bank to contribute further on the important global agenda to expand financial inclusion across the globe.

The Bank delivered the desired results whilst successfully capping the increase in the level of financial and human capital resources during the three-year period. This higher level of productivity is attributable to a focus on effective implementation, supported by continued investments in strengthening the Bank's capabilities in line with a culture of high performance.