Calendar of Events
April - June 2004

15 April 2004
The Governor delivered a keynote address at the Risk Management Seminar on the new Basel II Capital Accord, in which she said that Malaysia would adopt four key principles in a two-phased approach to implementing Basel II for Malaysian banks, beginning in January 2008. The principles are: the need to accommodate capacity building efforts; a more flexible timeframe; an emphasis on strong business justification; and an enhanced supervisory methodology.

21 April 2004
The Bank released the 2003 Insurance and Takaful Annual Reports which provide an analysis of the insurance and takaful industries' performance and developments in 2003.

23 April 2004
The Bank introduced the New Interest Rate Framework to enhance the effectiveness of monetary policy. The new framework is designed to facilitate the transmission of changes in the policy rate, known as the Overnight Policy Rate (OPR), to the other market rates and ultimately, to key macroeconomic objectives. The new framework would also promote more efficient pricing by banking institutions.

14 May 2004
The Governor delivered a keynote address at the Malaysian Banking Summit 2004, in which she envisaged that three types of banking institutions would emerge to meet the future demands of the economy, which are:

- Large Malaysian banks with nationwide, regional and international presence that are able to compete with global financial players;
- Banking institutions with nationwide presence that are able to offer a broad range of financial products and services; and
- Specialist niche players delivering specialised value added products and services for specific segments of the market.

17 May 2004
The Minister of Finance announced the appointment of Datuk Zamani Abdul Ghani as the new Deputy Governor of Bank Negara Malaysia replacing Dato' Mohd. Salleh Harun who retired.

21 May 2004

The Bank announced the third issuance of Bon Simpanan Merdeka amounting to RM500 million which was issued on 1 July 2004. The bond provides an additional savings instrument to senior citizens, Malaysian Armed Forces personnel who are on retirement, as well as Malaysian citizens who have retired on medical grounds. In view of the overwhelming subscription from a large number of investors, a change in the allocation approach was made to provide the opportunity to as many investors as possible.

26 May 2004

The Bank announced that the Malaysian economy recorded an impressive growth of 7.6% in the first quarter of 2004, which was the highest since the third quarter of 2000. The growth was broad-based across all sectors. The key contributors were the manufacturing and services sectors. The manufacturing sector expanded by 12.5%, contributing 3.8 percentage points to the GDP.

The Monetary Policy Statement stated that the underlying fundamentals would continue to accord flexibility for monetary policy to support stronger economic activities, without creating inflationary pressures. Interest rates could remain low for some time to come, to support the growth momentum. Hence, the overnight policy rate (OPR) would remain unchanged at 2.70%.

27 May 2004

The Bank announced it has approved the application of Kuwait Finance House to establish a full-fledged Islamic bank in Malaysia. This followed the announcement made earlier that up to three new Islamic banking licences would be issued to qualified foreign Islamic banking players, as part of the move to bring forward the liberalisation of the Islamic banking industry.

18 June 2004

The Bank signed a Bilateral Payments Arrangement (BPA) Agreement with Bank Mandiri, Indonesia, to facilitate the promotion of trade and establishment of correspondent banking relationships between Malaysia and Indonesia. Under the BPA, a settlement arrangement is established whereby the net trade balance between the two countries are settled in an agreed currency on a periodic basis.