CALENDAR OF EVENTS
January – April 2015

14 January 2015

Governor Dr. Zeti received the Lifetime Achievement Award for the global development of Islamic finance at the Second Islamic Economy Award Ceremony in Dubai. In her speech, she highlighted the intensified collaborative efforts to enhance the Islamic financial infrastructure to create a robust and resilient global Islamic financial system and the investment needed in human capital development to support the industry. She also pointed out Malaysia's own experience and aspirations in evolving into an international Islamic financial centre and continuing efforts to promote a more inclusive financial system to support a more balanced growth.

23 January 2015

The Bank established a Special Relief Facility of RM500 million to alleviate the problems faced by businesses affected by the recent floods. The businesses can obtain financing at a concessionary rate from any commercial bank, Islamic bank, and other selected participating financial institutions. It is available to Malaysian SMEs affected in the districts defined as flood disaster areas with a maximum amount of financing of RM500,000 per group of companies. Its effective financing rate chargeable is up to 2.25% per annum and tenure of the financing is up to five years with a grace period of six months.

27 January 2015

The ASEAN Working Committee on Payment and Settlement Systems (WCPSS) adopted the Principles of Product Transparency and Disclosure (Principles) to improve the level of transparency on charges and service levels offered by financial institutions in the ASEAN region for cross-border trade settlement. The Principles are designed to ensure that customers have clear, timely, easily accessible and comparable key information to make an informed decision in performing cross-border trade settlement. The WCPSS also aims to improve the payment and settlement infrastructure for ASEAN member countries that will stand ready to support the financial integration within the Asean Economic Community.

28 January 2015

The Bank kept the Overnight Policy Rate (OPR) at 3.25% at its first Monetary Policy Committee (MPC) meeting for the year. At the current OPR level, the monetary policy stance remains accommodative given the developments in monetary and financial conditions.

At its subsequent meeting on 5 March, the MPC maintained the OPR. The MPC's assessment was that while divergent growth was seen among advanced economies, domestic demand continues to support Asian growth. For Malaysia, the economy is expected to remain on a steady growth path with domestic demand as a key driver of growth. In the external sector, the performance of manufactured exports is expected to improve. The MPC added that underlying inflation is expected to remain contained amid stable domestic demand conditions.

The MPC will continue to assess external and domestic developments and their implications on the risks to inflation and on the Malaysian economy as well as monitor risks of destabilising financial imbalances to ensure sustainable growth prospects.

12 February 2015

The Bank called a press conference to announce the release of 4Q 2014 GDP results. Governor Dr. Zeti highlighted that the Malaysian economy registered a higher growth of 5.8% in 4Q 2014 driven mainly by stronger private sector spending. On the supply side, growth was sustained by the major economic sectors, led by trade and domestic activities. For the year 2014, the Malaysian economy grew by a strong 6.0%. During the Q&A session, Governor Dr. Zeti also clarified several misperceptions on the Malaysian economy, including the role of oil and gas activities in the economy.

26 February 2015

The Bank and the United Kingdom Foreign and Commonwealth Office co-hosted the second Global Islamic Finance and Investment Group meeting at Sasana Kijang. The meeting was co-chaired by Governor Dr. Zeti and the Rt. Hon. Hugo Swire, Minister of State at the United Kingdom Foreign and Commonwealth Office. The attendance of members and invitees from various countries brought upon interesting dialogues on opportunities and potential solutions to address challenges in global Islamic finance. The key outcomes of the meeting were to improve communications to foster better understanding on Islamic finance globally and to enhance efforts to link the flow of Islamic finance funds into infrastructure needs and to support economic development globally.

11 March 2015

The Bank appointed Datuk Dr. Noor Azlan Ghazali and Dr. Yeah Kim Leng as external members of Bank Negara Malaysia's MPC for a two-year term effective 1 April 2015. The Central Bank of Malaysia Act 2009 provides for the appointment of external members to the MPC. The appointment of Datuk Dr. Noor Azlan Ghazali and Dr. Yeah Kim Leng will enhance the collective expertise and experience relevant to the responsibilities and functions of the MPC. With their appointments, the MPC will have ten members in total.

On the same day, the Bank released its Annual Report and the Financial Stability and Payment Systems Report for 2014.

At the press conference, Governor Dr. Zeti remarked that the global economy expanded at a moderate pace in 2014. Global financial markets also faced heightened volatility in the later part of 2014, following uncertainty on monetary policy normalisation in the US and sharp declines in commodity prices.

Governor Dr. Zeti also announced that the Malaysian economy recorded a stronger growth of 6.0% in 2014 driven primarily by the continued strength of private domestic demand supported by improvement in external sector. For 2015, the Malaysian economy is expected to register steady growth of 4.5% - 5.5%, supported by sustained domestic demand and a resilient export sector. Touching on inflation for 2015, Governor said it is expected to be contained despite GST implementation, largely on impact of lower oil prices. Inflation is projected to be between 2-3%.

Governor Dr. Zeti also pointed out that domestic financial stability continued to be preserved in 2014. The country's deep financial markets and strong domestic institutional investors have supported orderly market conditions despite higher funds outflows. Further, risks arising from household indebtedness and rising property prices have moderated due to the various measures with new household borrowings of higher quality. She also said that Islamic finance industry continued its growth momentum in 2014.

Governor Dr. Zeti also drew attention to other key developments in the Malaysian financial sector such as the establishment of the Financial Services Talent Council and the Financial Services Professional Board; the establishment of the Asia School of Business - a collaboration between the Bank and Massachusetts Institute of Technology's Sloan School of Management; appointment of a renminbi clearing bank; the passage of the Netting of Financial Agreements Act 2015; and transforming the existing Financial Mediation Bureau into a full-fledged financial ombudsman scheme.

17 March 2015

The Bank announced the appointment of new members of the Small Debt Resolution Committee effective 1 March 2015 with Datuk Wan Azhar Wan Ahmad appointed as the Chairman. The Committee undertakes independent assessments on the viability of the SMEs' businesses and proposes rehabilitation solutions through restructuring or rescheduling of existing financing facilities, or providing new financing, where appropriate. Since its inception in 2003, the Small Debt Resolution Scheme has received a total of 1,316 applications with 916 applications approved for restructuring or rescheduling. Of this amount, about 50 per cent of the SMEs assisted were able to improve their businesses cash flow conditions, turn around their businesses and continue to remain viable.

27 March 2015

The Bank and Hong Kong Monetary Authority (HKMA) co-organised the Second Malaysia-Hong Kong Private Sector Dialogue on Offshore Renminbi (RMB) Business in Johor Bahru. Its aim was to foster closer collaboration between Malaysia and Hong Kong on the development of RMB business and was attended by senior representatives of banks from Malaysia and Hong Kong and representatives from corporates and businesses. Among others, the Dialogue reviewed the recent progress in internationalisation of RMB and the continuing efforts in making the RMB capital account convertible.

29 March 2015

The Bank's second auction of Malaysian banknotes with special serial numbers was held at Sasana Kijang. It received responses from 113 registered bidders, consisting of private collectors and traders both locals and from abroad. All lots were successfully auctioned off with total proceeds of more than RM660,000 for a total face value of RM7,264. The auction proceeds will be channelled to support the Corporate Social Responsibility programs of the Bank, including the provision of free gadgets to assist the visually impaired and small retailers in identifying and authenticating banknotes. They will also be used for outreach programs to educate the public on techniques to authenticate banknotes and coins as well as the proper handling of polymer banknotes.

Acronyms and Abbreviations

ABIF	ASEAN Banking Integration Framework
ADB	Asian Development Bank
AFI	Alliance for Financial Inclusion
ALR	average lending rate
APN	Asian Payment Network
BI	Bank Indonesia
BIS	Bank for International Settlements
BLR	base lending rate
BNM	Bank Negara Malaysia
BNMN	Bank Negara Monetary Notes
BoE	Bank of England
BoJ	Bank of Japan
BR	Base Rate
CET1	common equity tier 1
CMP	Commodity Murabahah Programme
CoFC	consumption of fixed capital
CPI	Consumer Price Index
DIA	direct investment abroad
DOSM	Department of Statistics, Malaysia
DSR	debt service ratio
E&E	electronics and electrical
E&O	Errors and Omissions
ECB	European Central Bank
EOR	enhanced oil recovery
ETP	Economic Transformation Programme
EU	European Union
FBM KLCI	FTSE Bursa Malaysia Kuala Lumpur Composite Index
FD	fixed deposit
FDI	foreign direct investment
Fed	Federal Reserve
FOMC	Federal Open Market Committee
FSB	Financial Stability Board
FX	foreign exchange
GDP	Gross Domestic Product
GFCF	gross fixed capital formation
GFP	goods for processing
GIFF	Global Islamic Financial Forum
GII	Government Investment Issues
GNI	Gross National Income
GST	Goods and Services Tax

HoA	Heads of Agreement
HQLA	high-quality liquid asset
HSDPA	High-Speed Downlink Packet Access
ICR	interest coverage ratio
IDB	Islamic Development Bank
IILM	International Islamic Liquidity Management
IMF	International Monetary Fund
IT	information technology
JCC	Japanese Crude Cocktail
KLCI	Kuala Lumpur Composite Index
KLIBOR	Kuala Lumpur Interbank Offered Rate
LCR	Liquidity Coverage Ratio
LNG	liquefied natural gas
MGS	Malaysian Government Securities
MHPI	Malaysia House Price Index
MIDA	Malaysian Investment Development Authority
MIER	Malaysian Institute of Economic Research
MoU	Memorandum of Understanding
MPC	Monetary Policy Committee
MSIC	Malaysia Standard Industrial Classifications
NBFI	non-bank financial institutions
OPEC	Organisation of the Petroleum Exporting Countries
OPR	Overnight Policy Rate
PBOC	People's Bank of China
PDS	private debt securities
PMI	Purchasing Managers' Index
PPI	Producer Price Index
PTP	Port of Tanjung Pelepas
QAB	Qualified ASEAN Banks
QE	quantitative easing
RBI	Reserve Bank of India
RM	Ringgit Malaysia
SDA	Special Deposit Account
SME	small and medium enterprise
SNA	System of National Accounts
SNB	Swiss National Bank
SRR	Statutory Reserve Requirement