Taklimat Laporan Tahunan 2017 dan Laporan Kestabilan Kewangan dan Sistem Pembayaran 2017

Bank Negara Malaysia

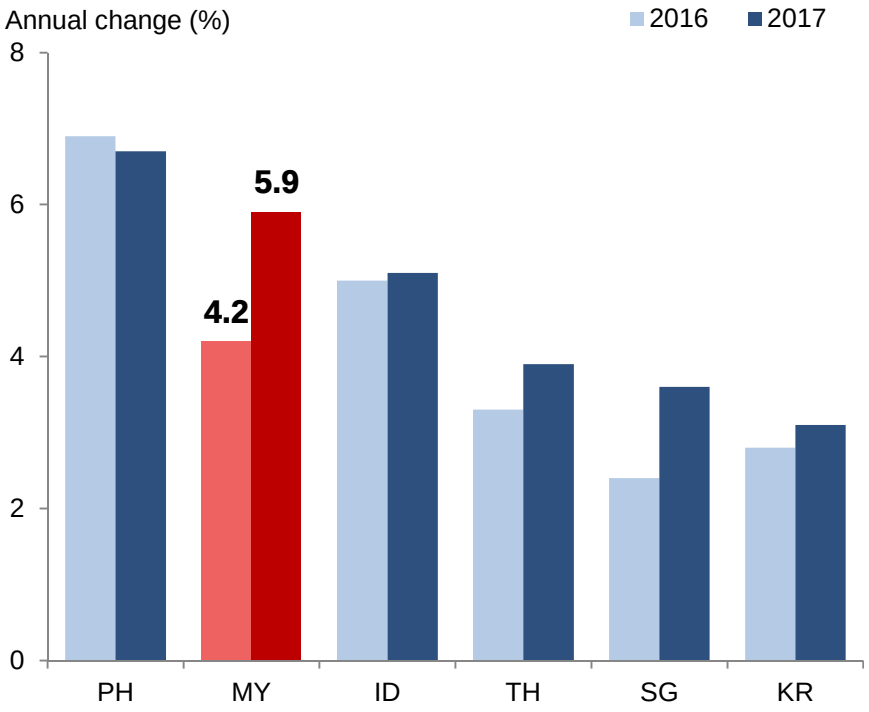
28 Mac 2018

BANK NEGARA MALAYSIA
CENTRAL BANK OF MALAYSIA

In 2017, the Malaysian economy expanded at its fastest pace in 3 years

Malaysia was among the fastest-growing regional economies…

Real GDP growth of selected countries



…as positive one-off factors lifted growth

Rebound in global growth
- ❖ Higher investment in AEs
- ❖ Boom in global tech cycle

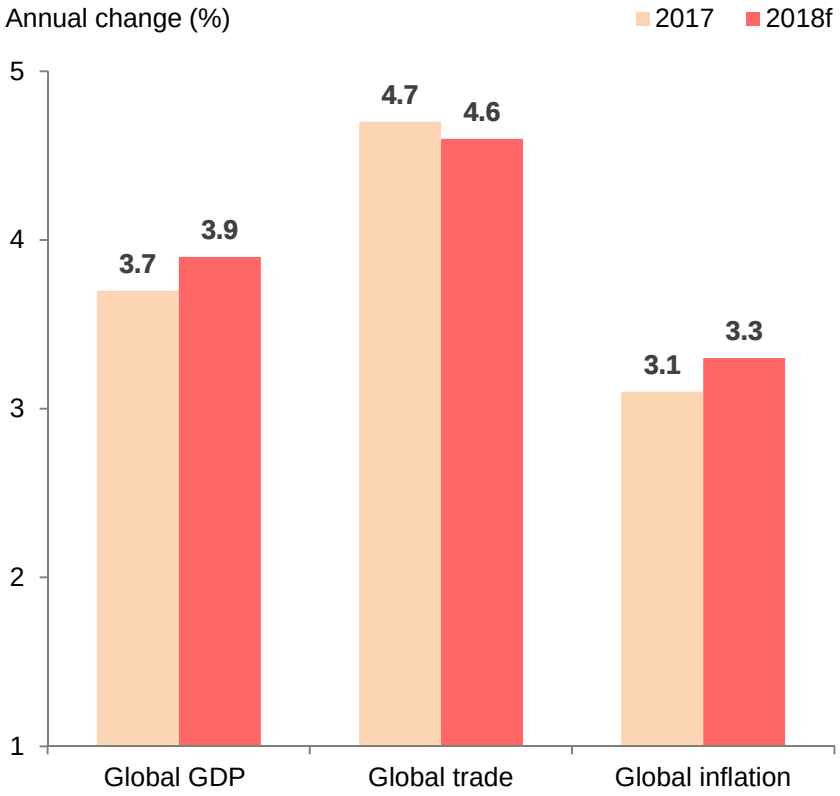
Recovery in commodities
- ❖ Crude oil price recovery
- ❖ Higher CPO output post El-Nino

Policy Measures
- ❖ Reduction in EPF contribution

Source: Bank Negara Malaysia, Haver

For 2018, the global landscape will remain supportive of growth

Key Global Indicators



Trends in the Global Outlook

GDP growth	Stronger and more synchronised
Trade	Higher demand from major trade partners
Inflation	Higher wage and price pressures
Monetary policy	Further normalisation
Risks	Balanced risk to growth

Source: IMF WEO Update Jan. 2018, IMF WEO Oct. 2017

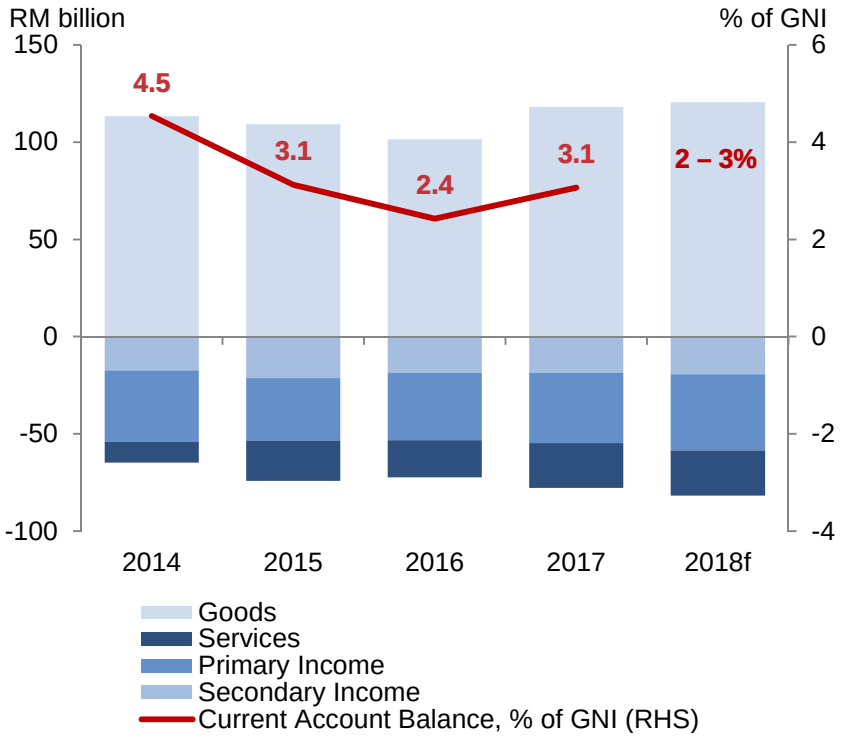
As an open economy, Malaysia will continue to benefit from the strengthening global demand

Export and import growth to ease but remain above average

Annual change (%)	2017 share[1] (%)	2012-2016 average	2017[p]	2018[f]
Gross Exports	**100**	**2.5**	**18.9**	**8.4**
RM billion	-	*750.5*	*935.4*	*1,014.3*
Manufacturing	82	5.0	18.9	9.5
Commodities	17	-5.9	17.2	3.6
Gross Imports	**100**	**4.1**	**19.9**	**8.6**
Trade Balance (RM billion)	**-**	**85.9**	**97.2**	**104.2**

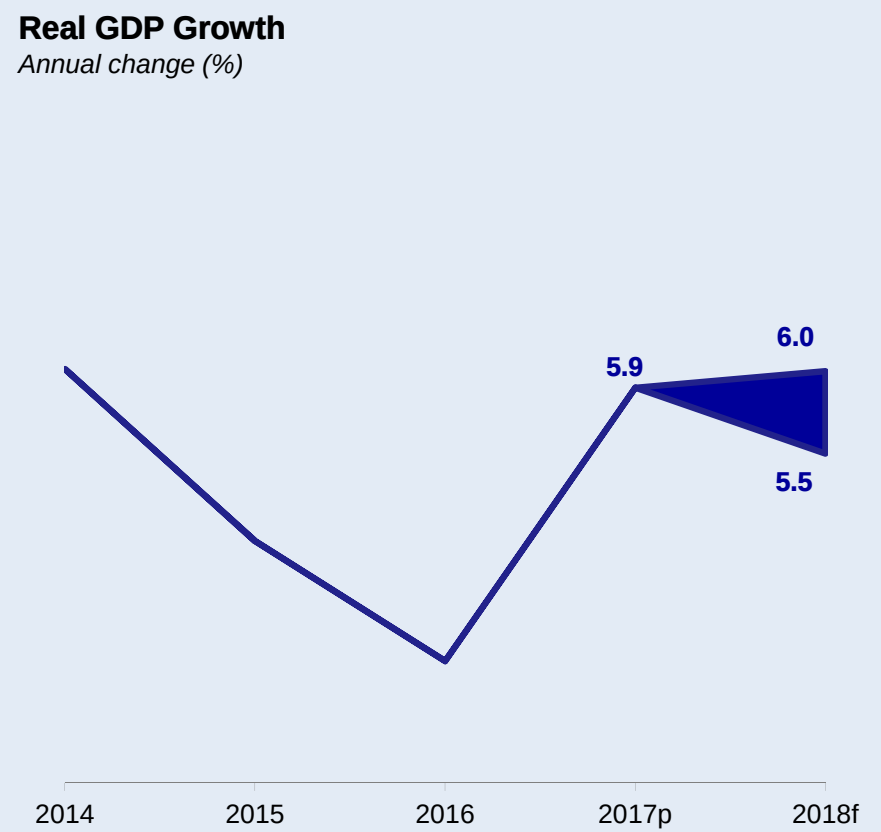
p preliminary f forecast
[1] Numbers may not add up due to rounding
Source: Department of Statistics, Malaysia, Bank Negara Malaysia

Healthy current account surplus of 2-3% of GNI, supported by the goods account



Malaysia is projected to grow between 5.5 – 6.0% in 2018

Sustained expansion of real GDP



Growth in all economic sectors

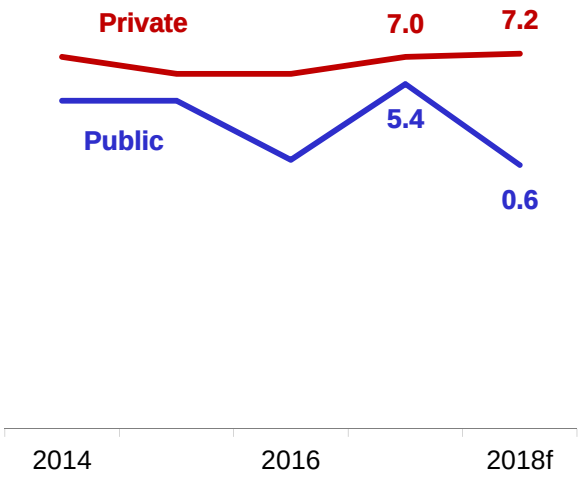
Annual change (%)	2017 share[1] (%)	2017[p]	2018[f]
Services	54.4	6.2	**6.1**
Manufacturing	23.0	6.0	**5.9**
Mining & Quarrying	8.4	1.1	**1.8**
Agriculture	8.2	7.2	**3.6**
Construction	4.6	6.7	**7.3**
Real GDP	**100.0**	5.9	**5.5-6.0**

p preliminary f forecast
[1] Numbers may not add up due to rounding and exclusion of import duties
Source: Department of Statistics, Malaysia, Bank Negara Malaysia

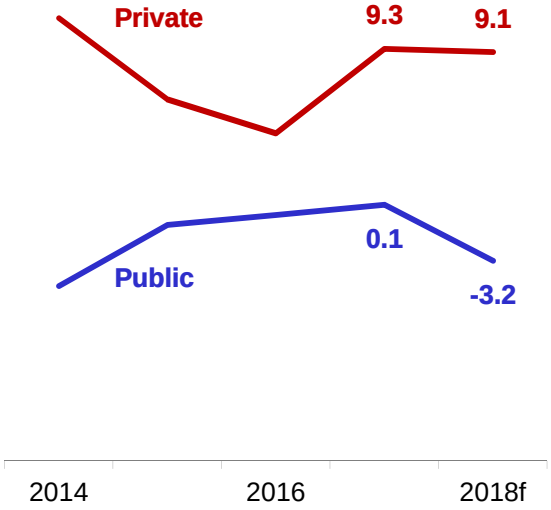
Growth to be anchored by private domestic demand

Domestic demand to continue to expand with further impetus from the external sector

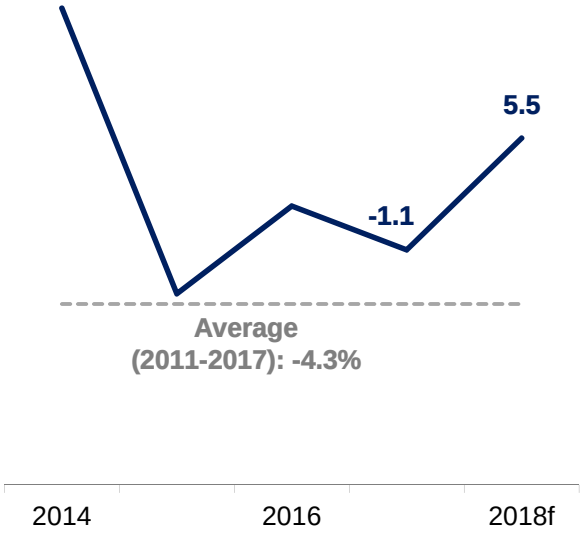
Consumption
Annual change (%)



Investment
Annual change (%)



Net exports
Annual change (%)

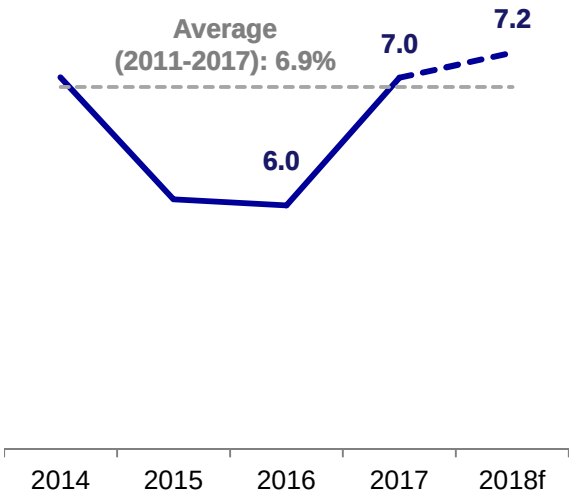


f forecast
Source: Department of Statistics, Malaysia, Bank Negara Malaysia

Sustained household consumption supported by favourable labour market conditions

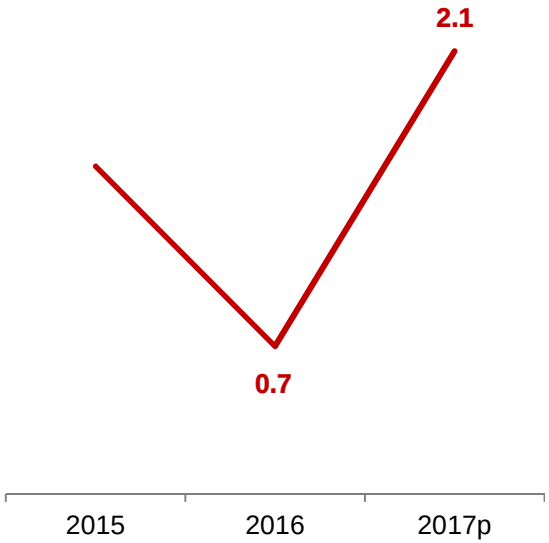
Sustained household spending…

Real Private Consumption
Annual change (%)



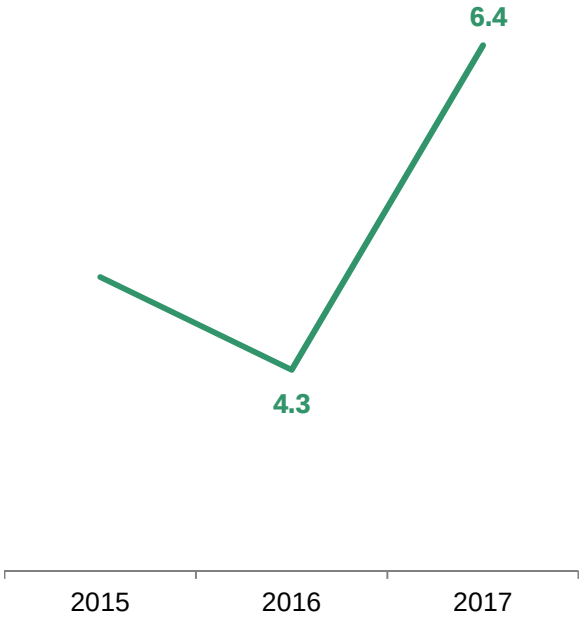
…supported by continued employment growth…

Employment
Annual change (%)



… and private sector wage growth

Private Sector Salary and Wages
Annual change (%)

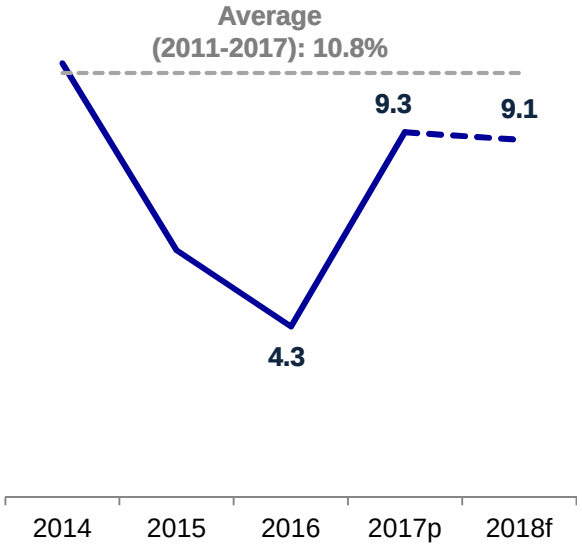


p preliminary e estimate f forecast
Note: Private sector wages is derived from the salaries and wages data published in the Monthly Manufacturing Statistics and Quarterly Services Statistics by the Department of Statistics, Malaysia.
Source: Department of Statistics, Malaysia

Continued investment by private sector firms amid rising confidence

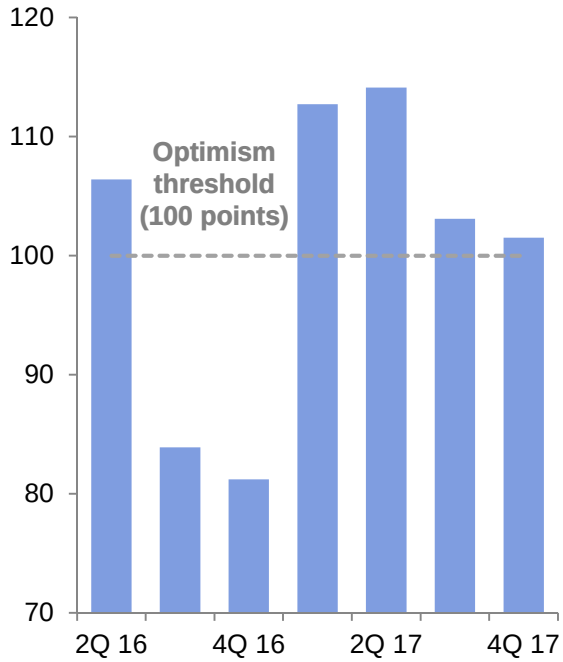
Sustained private investment activity…

Real Private Investment
Annual change (%)



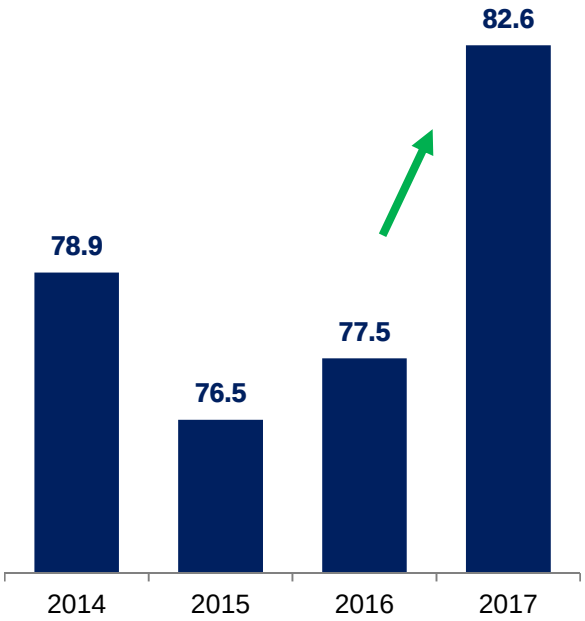
…supported by positive business conditions…

MIER Business Condition Index
Points



…amid elevated capacity utilisation

MIER Capacity Utilisation Rate
Annual average (%)

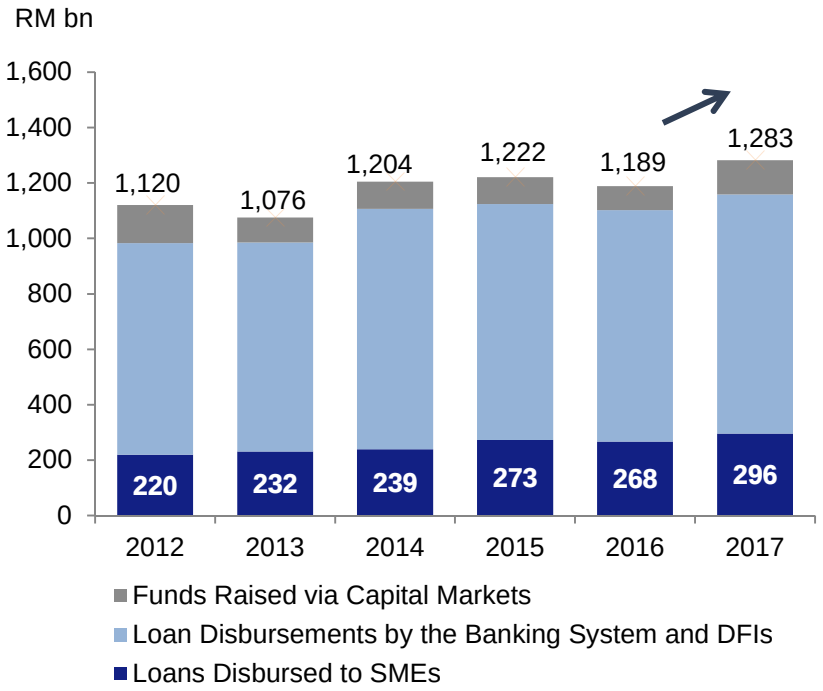


p preliminary f forecast
Source: Department of Statistics, Malaysia, Bank Negara Malaysia, MIER

Financing to the private sector to remain supportive of consumption and investment activity

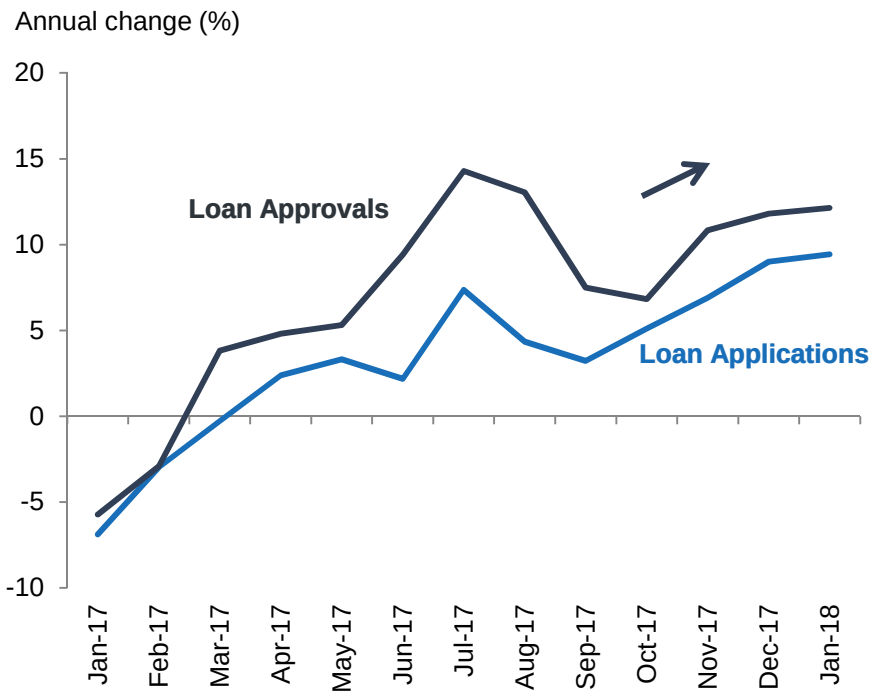
Higher loan disbursements across all economic sectors

Level of Gross Financing*



Forward-looking indicators point to sustainable growth in financing

Loan Applications and Approvals**



*Comprises gross loans from the banking system and DFIs, and gross funds raised from the capital markets (excludes issuances by Cagamas and non-residents).
**6-month moving average using loans from the banking system only.
Source: Bank Negara Malaysia

Headline inflation to average between 2.0 – 3.0%

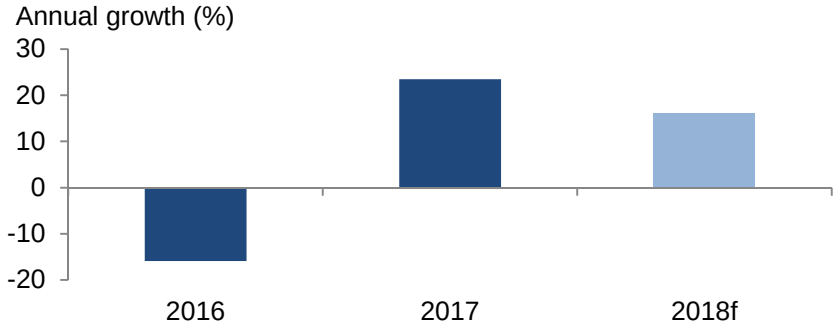
Lower inflation in 2018…

Headline Inflation

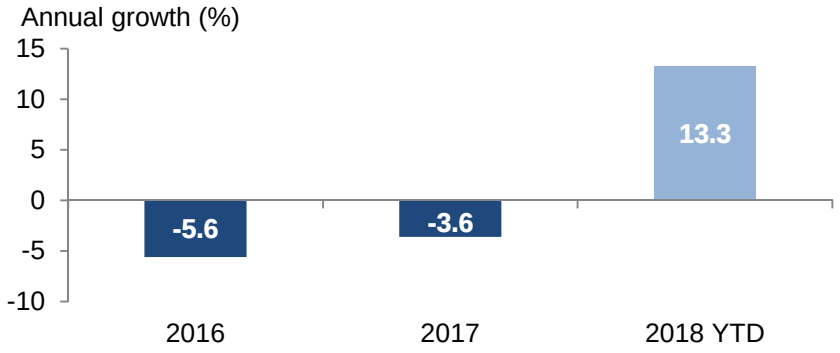


…due mainly to a smaller contribution from global cost factors

More moderate increase in Brent crude oil price



Exchange rate has appreciated

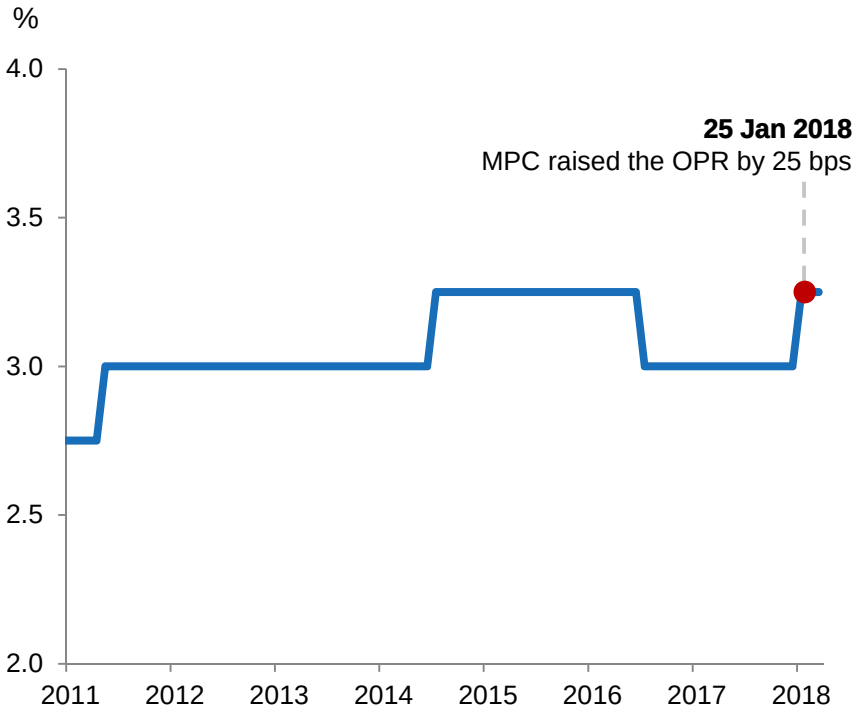


Source: Department of Statistics, Malaysia, Bank Negara Malaysia, Bloomberg

Monetary policy to ensure sustained growth amid an expected moderation in inflation

OPR increase reflects a normalisation of the degree of monetary accommodation and not a tightening monetary policy

Overnight Policy Rate



Given the favourable economic outlook, the MPC decided to raise the policy rate in January

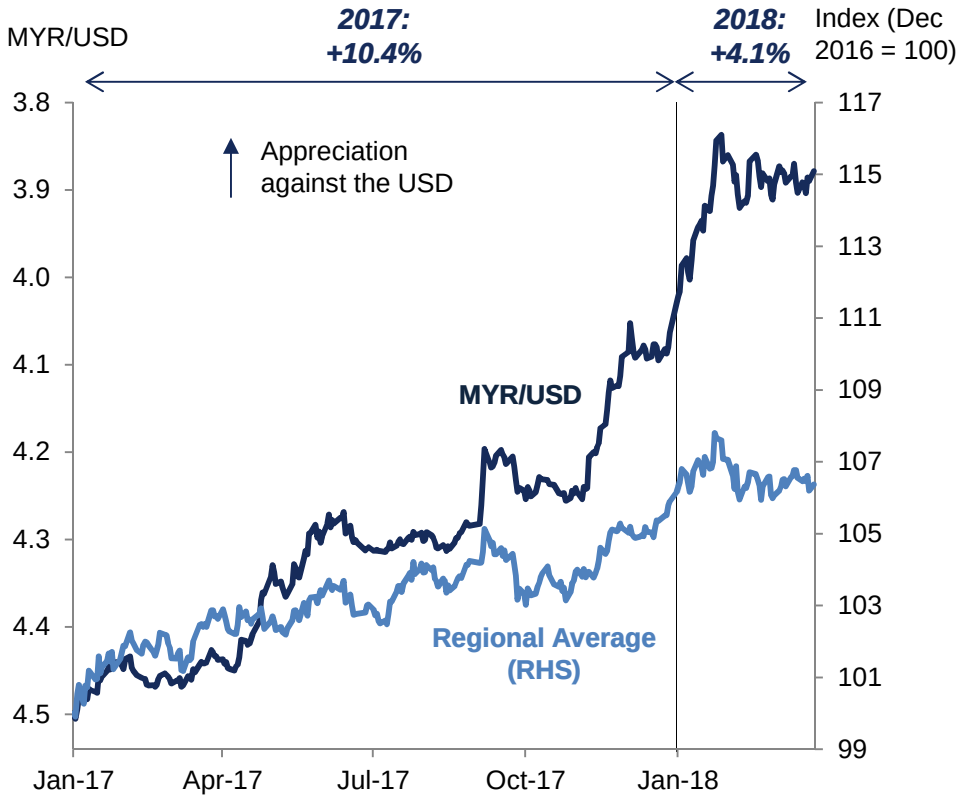
– Economic conditions that warranted the previous OPR reduction in 2016 have improved

– A prolonged period of low interest rates in a high-growth environment could result in the build-up of risks

Source: Bank Negara Malaysia

The ringgit continued to strengthen in 2018, after a strong performance in 2017

Performance of the Ringgit and regional currencies against the US Dollar (USD)



Ringgit's strength in 2017 and 2018 thus far was a reflection of renewed interest in Malaysia's assets following the robust domestic economic performance.

The ringgit's appreciation was also supported by:

- Broad weakness of the US dollar
- Increased real sector flows and improved investors' hedging flexibilities as a result of FMC measures

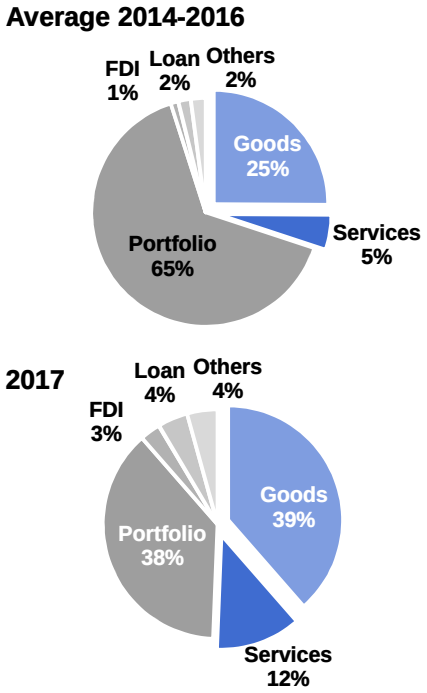
Going forward, however, the ringgit could face renewed volatility, arising from global factors.

Note: Regional currencies include PR China, Thailand, Indonesia, Philippines, Korea and Singapore.
Source: Bank Negara Malaysia

FMC market development initiatives have led to a deeper and more efficient onshore FX market

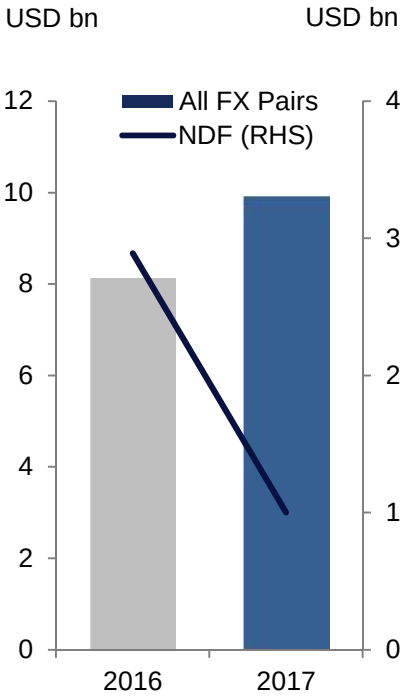
More balanced FX flows with increasing real sector flows

Share of avg. annual flows for 2014-16 vs 2017 (%)



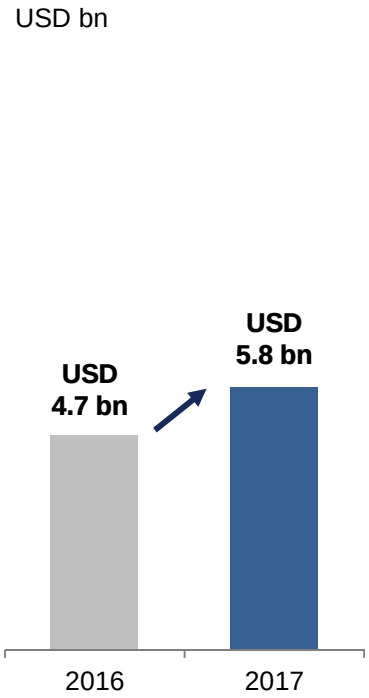
Higher onshore FX liquidity to meet market demand

Average daily onshore vs offshore volume



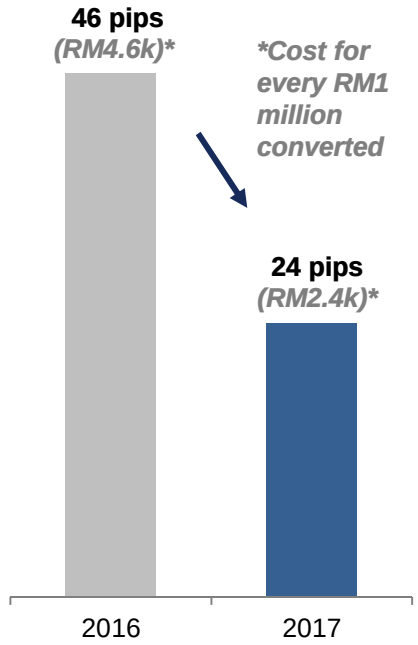
Growth in FX derivatives volume

Avg. daily FX Swap, Forward and Options trading volume



Reduced conversion cost as bid-ask spread narrowed

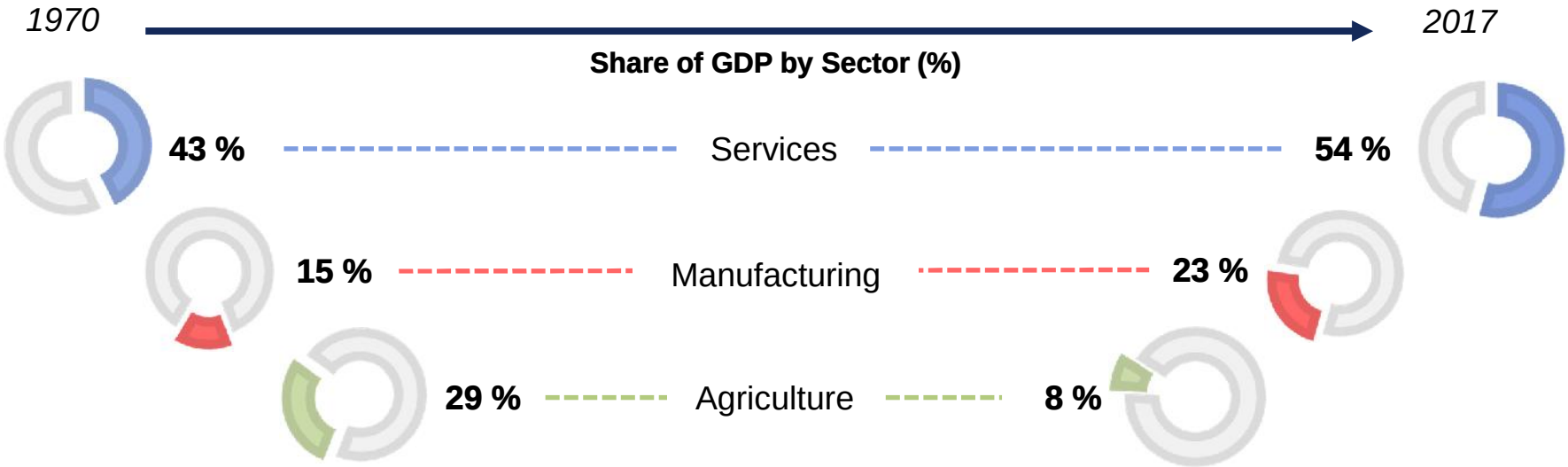
Cost calculated based on avg. daily USD/MYR bid-ask spread



Source: Bank Negara Malaysia, Bloomberg

Malaysia's growth performance has benefitted from timely structural reforms

Commodity diversification	Industrialisation and increased connectivity	Towards a knowledge-based economy
• *Est. of FELDA, MARDI* • *PETRONAS expanded into downstream business*	• *Infrastructure enhancement* • *Attracted FDI e.g., Promotion of Invst. Act* • *North-South Highway*	• *Financial sector reforms* • *High speed broadband* • *Liberalisation of services industry*



Source: Department of Statistics, Malaysia

However, further reforms are necessary to steer the economy towards a sustainable growth path going forward

Vital longer term reforms to enhance economic competitiveness

Labour market reforms

- Reducing reliance on foreign workers
- Creating high quality jobs
- Offering more competitive wages



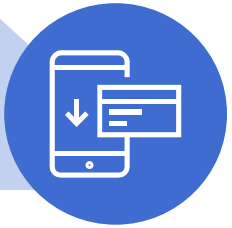
Quality investments

- Encouraging deeper contributions to the Malaysian economy
- Diversifying into knowledge-intensive products



Embracing new growth areas

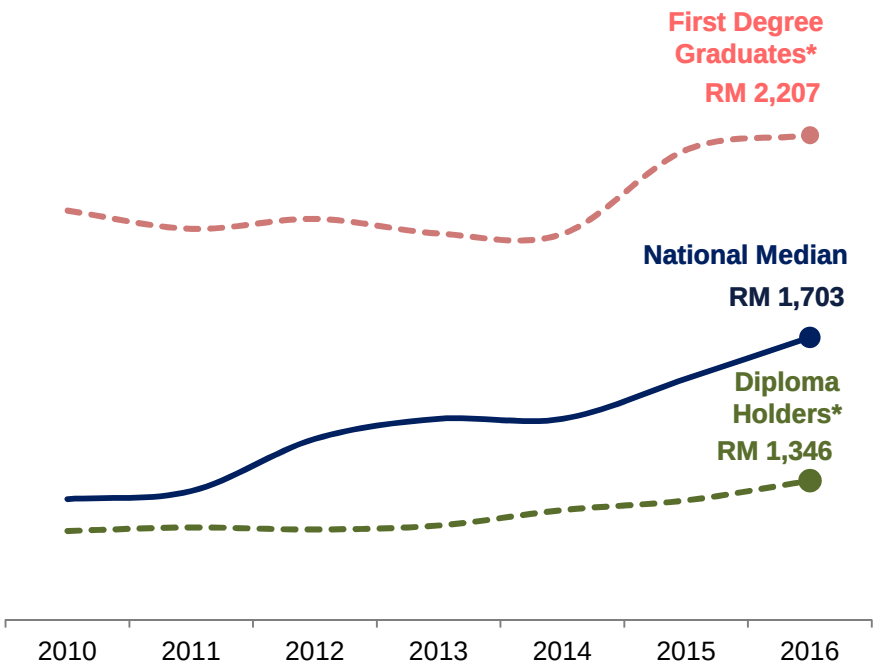
- Accelerating pace of digitalisation
- Advancing economic complexity



Salary and wage levels are low, with the low-income segments of society facing challenges

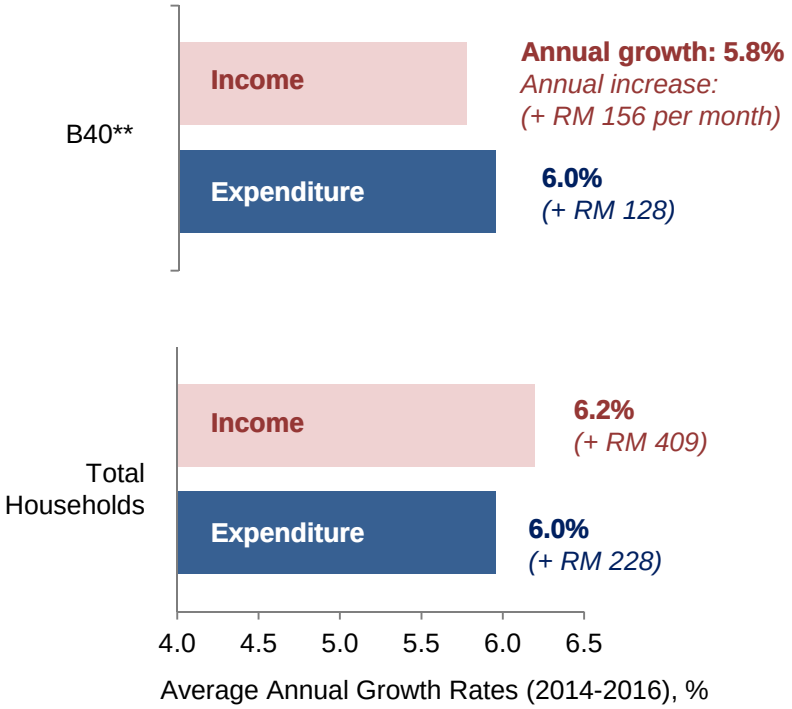
Half of workforce earned less than RM 1,703 in 2016

Salary and Wages, RM per month



B40 households' expenditure expanded at a faster pace relative to income

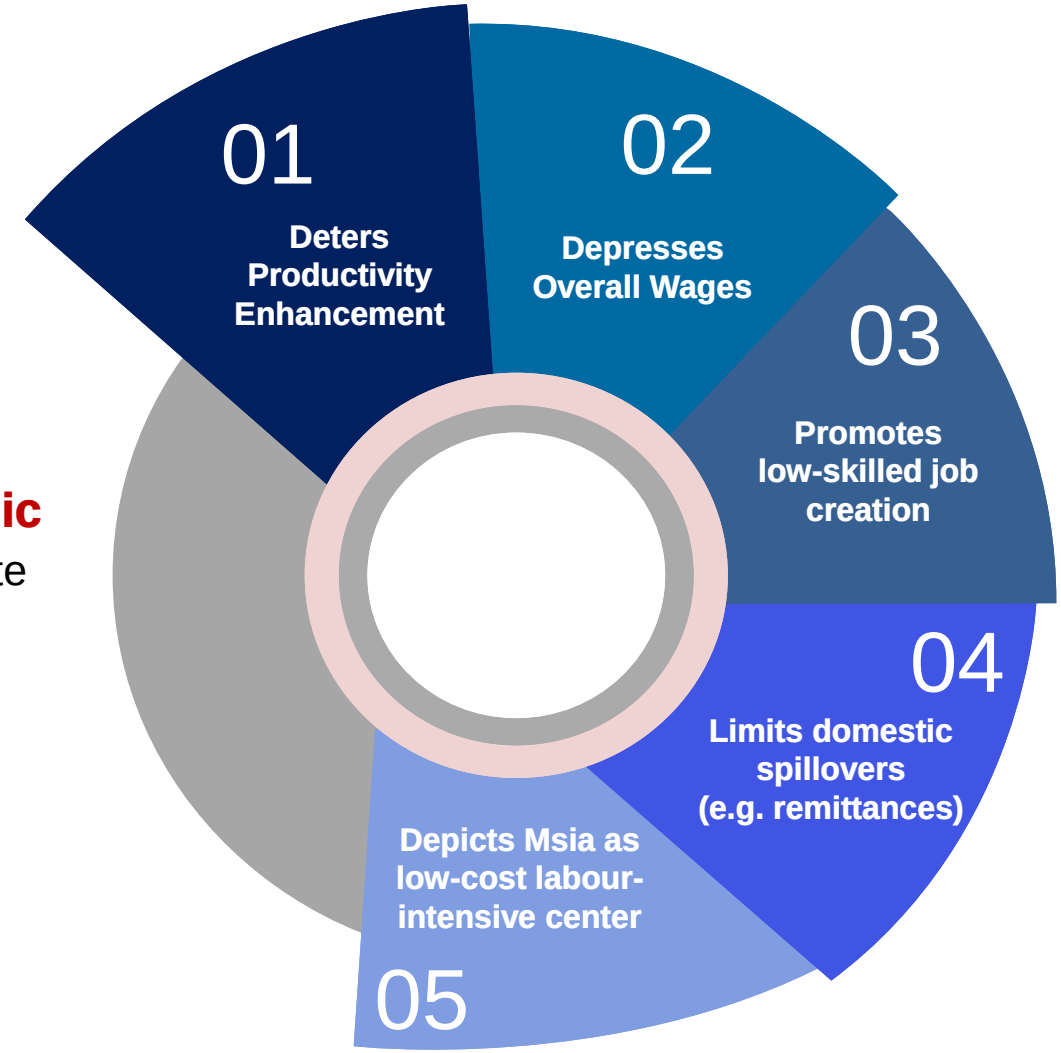
Household Mean Income and Expenditure Difference between 2014-2016



*Weighted Average Monthly Salary **B40 households' expenditure refers to the spending by Malaysian households only
Source: DOSM (Salary and Wages Survey 2006-2016, HIES 2014 & 2016), 2010-2016 Graduate Tracer Study, Bank Negara Malaysia estimates

This is partly contributed by prolonged reliance on low-skilled foreign workers that imposes macroeconomic costs to the economy

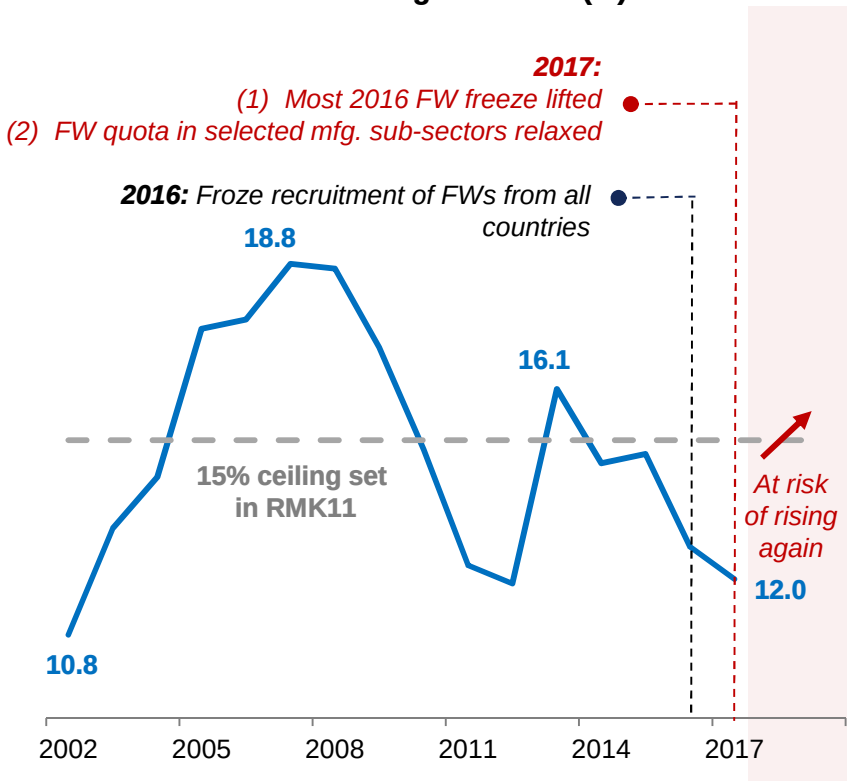
5 **key macroeconomic costs** of indiscriminate reliance on low-skilled foreign workers



High prevalence of low-cost labour-intensive business model

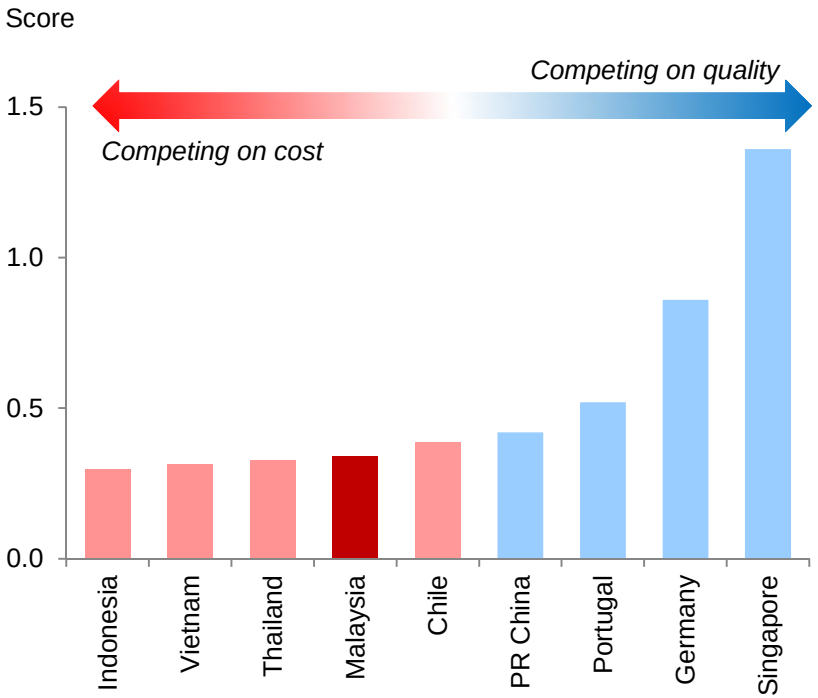
High dependence on low-skilled foreign workers…

Share of Documented Foreign Workers (%)



…risks perpetuating prevalence of low-cost business models

Financial Attractiveness*

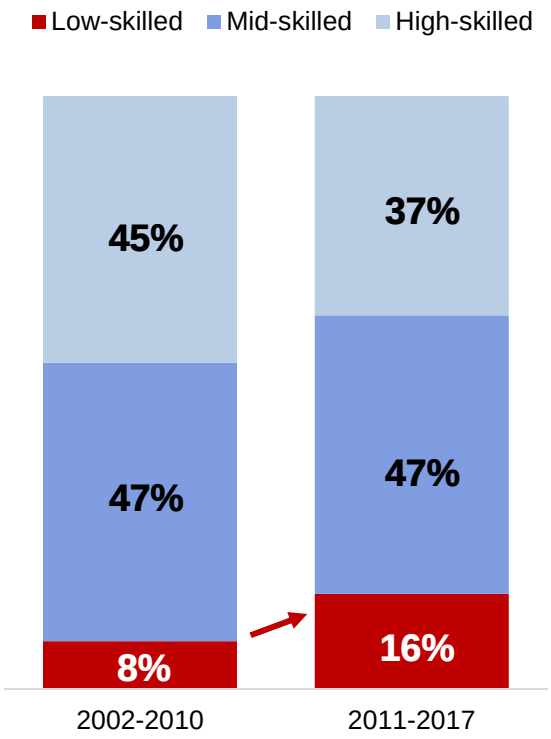


*Includes cost related to labour compensation, infrastructure, tax and regulatory; Figures on vertical axis denotes the inverse of published scores
Source: AT Kearney (2017), Department of Statistics, Malaysia

High reliance on foreign workers (FWs) drives low-skilled job creation, prevents productivity gains and suppresses overall wages

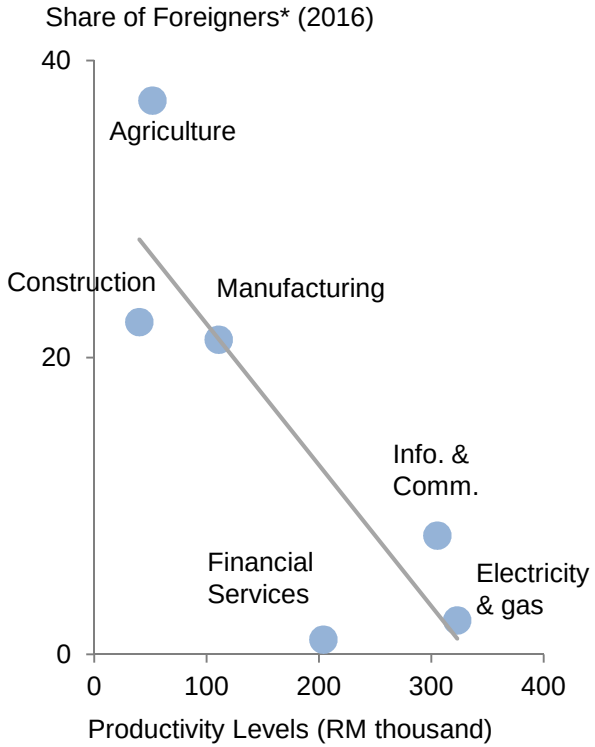
Low-skilled job creation has increased in recent years

Share of Job Creation by Skill Level



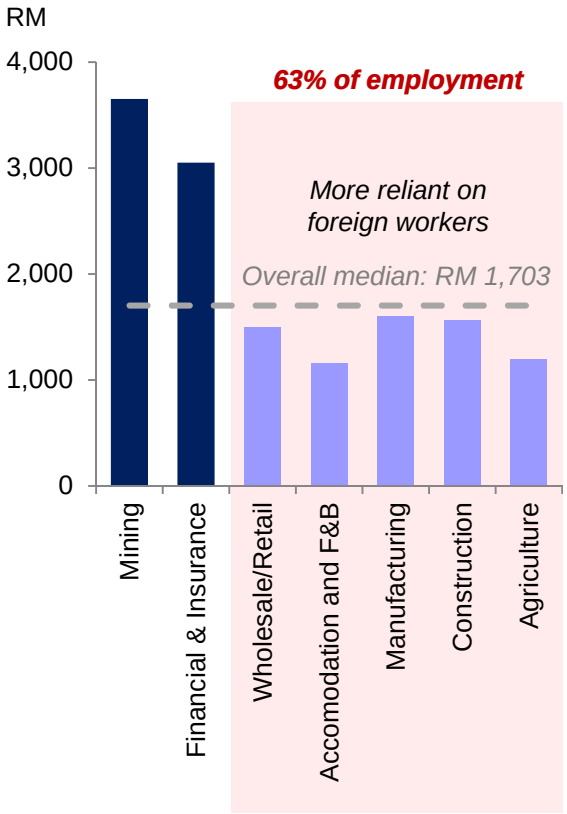
Industries with high FW share suffer from low-productivity…

Productivity and Share of Foreigners by Sector/Industries



…and lower wages

Median Monthly Salaries and Wages in 2016 by Sector

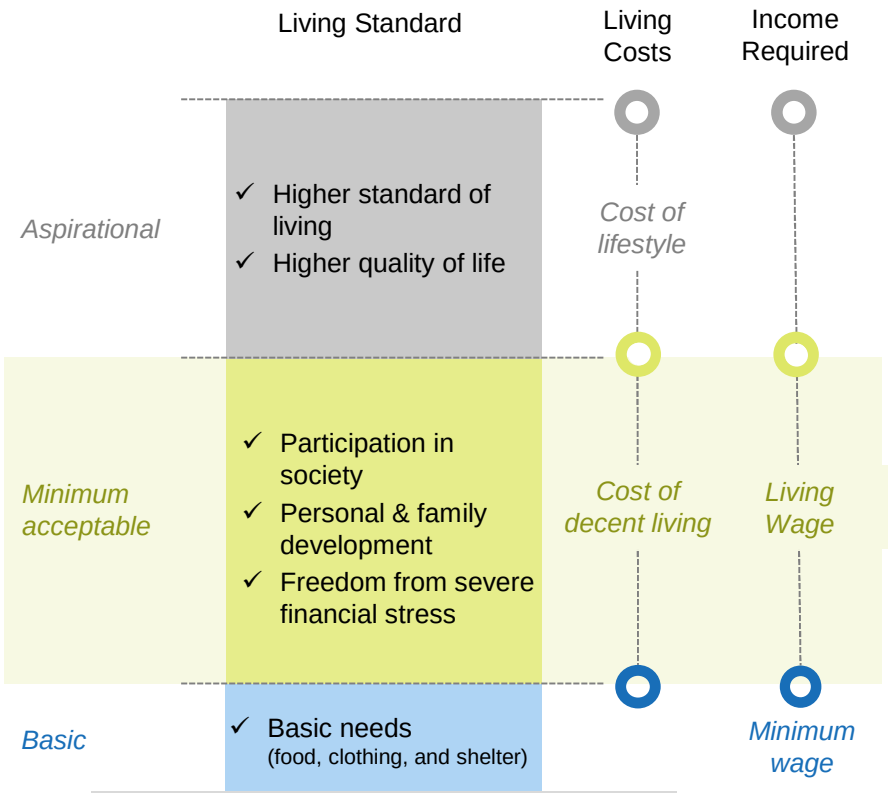


* Refers to non-citizens from the Labour Force Survey (LFS) 2016
Source: Department of Statistics, Malaysia, Bank Negara Malaysia estimates

As Malaysia moves towards becoming a high-income nation, it is timely to aspire to a minimum acceptable living standard for all

Cost of decent living is beyond affording basic needs, but does not capture cost of lifestyle

Different Concepts of Living Standard, Living Costs, and Income Level



Living wage can be a guide on income level needed to achieve min. acceptable std. of living

Provisional Living Wage Estimates in KL in 2016

(RM per month)

RM6,500
Couple with two children

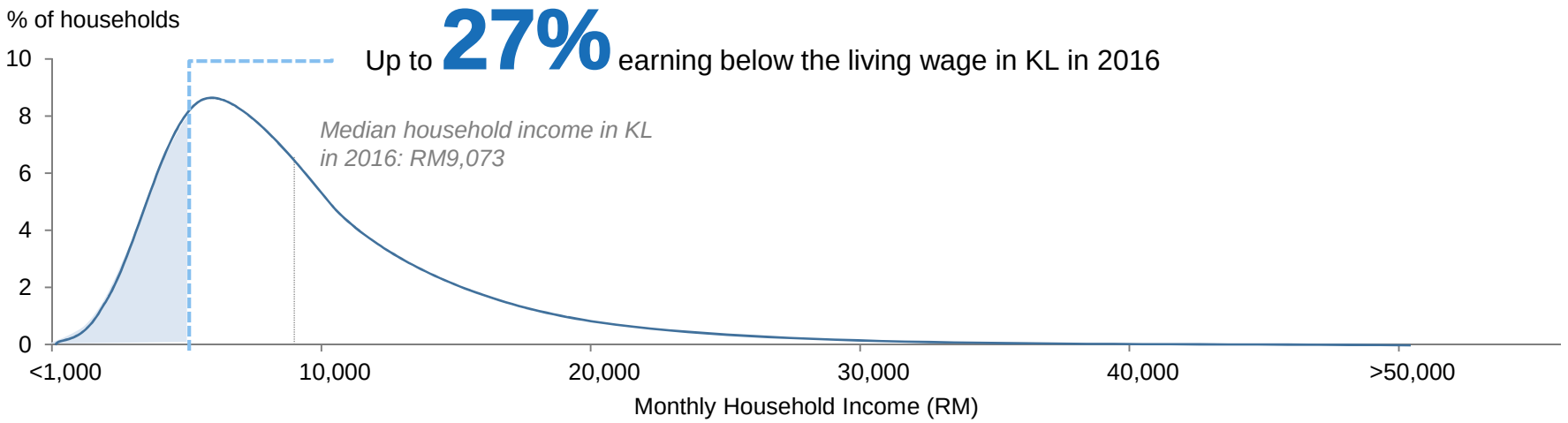
RM4,500
Couple without child

RM2,700
Single adult

Note: The Bank uses the term 'living wage' to mean income from all sources besides wages, such as non-wage work benefits and social assistance.
Source: Bank Negara Malaysia estimates based on Household Income and Expenditure Survey 2016, Department of Statistics, Malaysia, Bank Negara Malaysia

In KL, the 27% of households who are earning below the living wage are mostly secondary school graduates, with low- to mid-skilled jobs

Income Distribution of Households in KL



Characteristics of households in KL earning below the living wage

73% have **secondary education** or below



71% have only **one income earner**



67% work in **low- and mid-skilled jobs**

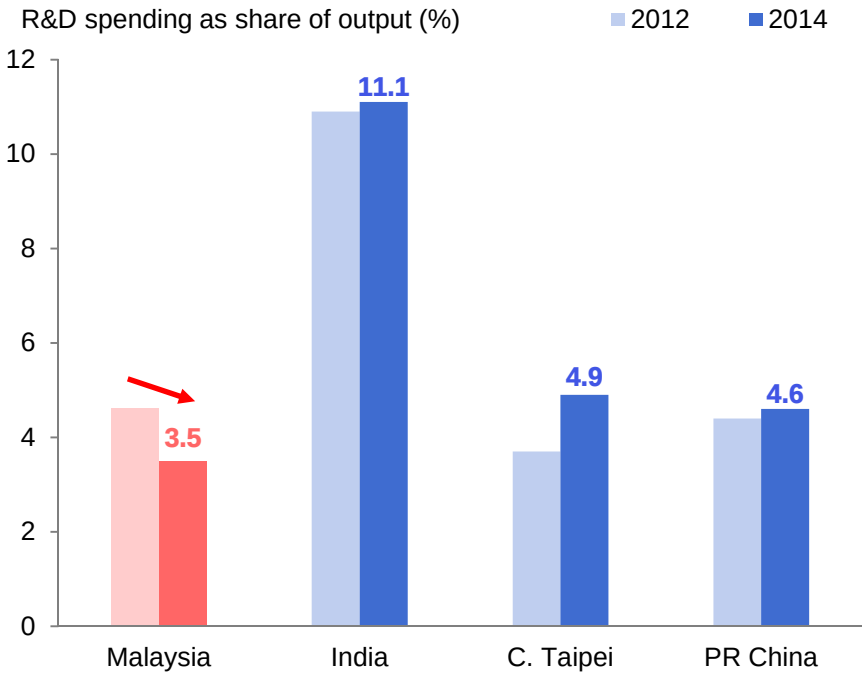


The Bank uses the term 'living wage' to mean income from all sources besides wages, such as non-wage work benefits and social assistance.
Source: Bank Negara Malaysia estimates based on Household Income and Expenditure Survey 2016, Department of Statistics, Malaysia

FDI benefits the economy but net benefits are declining, while returns on DIA remain limited

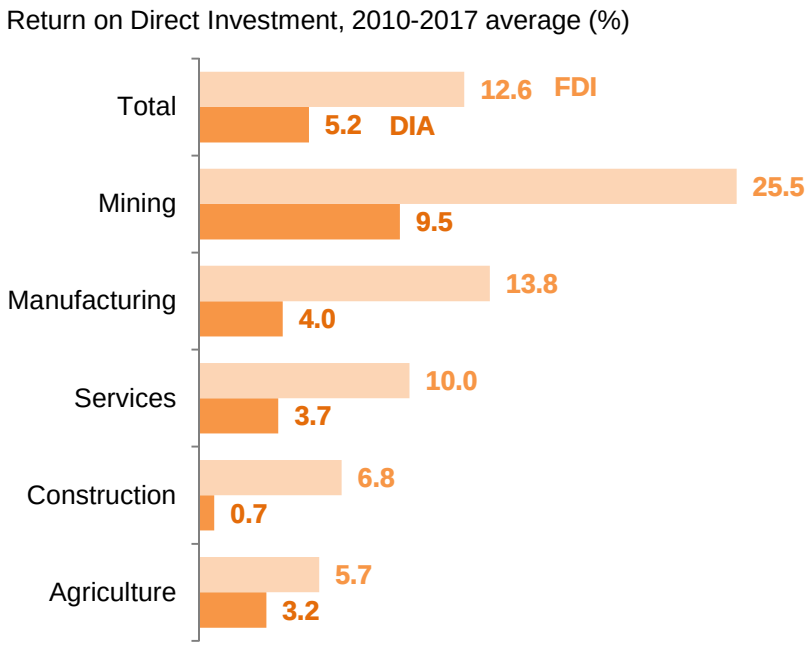
FDI: Declining net benefits as low-cost production models lead to slow innovation

R&D spending* has moderated



DIA: Returns on DIA consistently lower than FDI

Divergence in returns is largest in mining and manufacturing



DIA companies only repatriate 51% of income back to Malaysia

* Proxied by spending of US firms

Source: OECD TiVA, Department of Statistics, Malaysia, Bank Negara Malaysia estimates

In order to maximise benefits from investments, an enabling environment needs to be cultivated

Expand knowledge transfer, while spillovers need to be identified…

…and targeted policy measures prescribed to maximise potential spillovers from investments



Expand training infrastructure for skill mobility

High-caliber human capital

- Quality graduates including TVET
- Specialised skills and lifelong learning
- Consistent labour policy stance



Strengthened backward and forward linkages

Promote extensive domestic linkages

- Rethinking of incentives structure
- Matchmaking services to reduce search costs



Regulatory challenges

Mutually-reinforcing policies

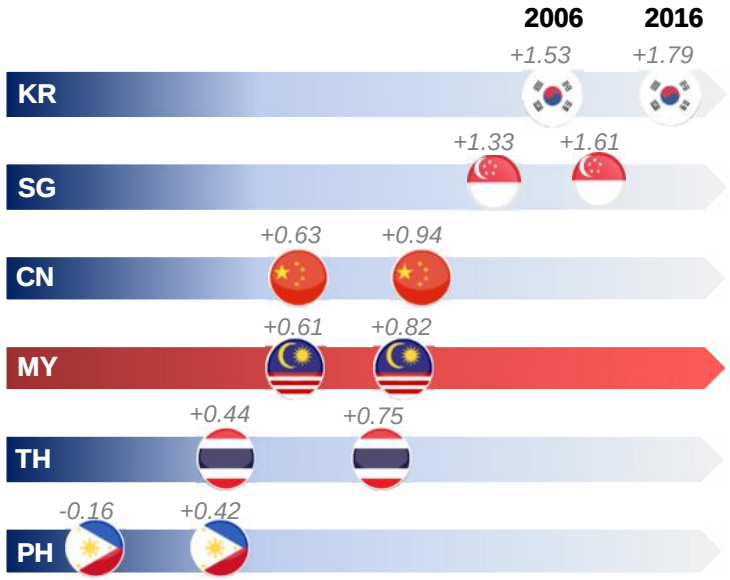
- Central body offering investment advisory services
- Consistent labour policy stance

Malaysia's economic complexity* requires enhancement to compete with fast-improving regional peers

Advanced regional economies are far more complex, while others are fast catching up

Economic Complexity Index

standard deviation from global average

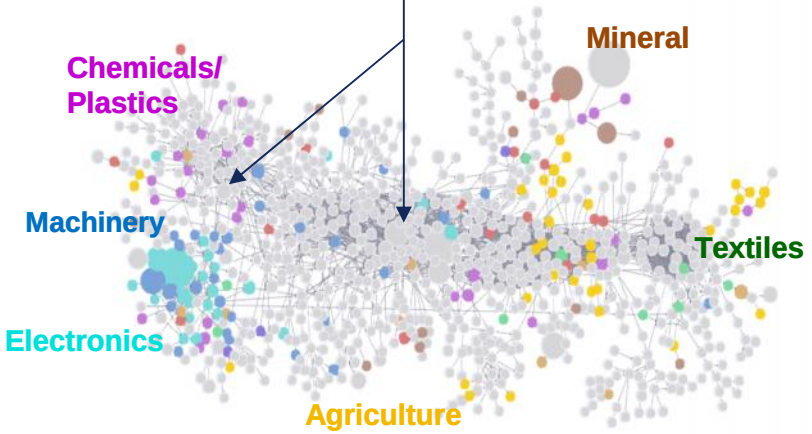


Sectoral diversification vital to deepen product mix and product complexity

Ample room for Malaysia to diversify into more complex or 'knowledge-intensive' products

Malaysia's Product Space (2016)

Relatively sparse product space at the centre
Indicates opportunity to venture into products with higher linkages to a multitude of goods. E.g.:
- *Orthopaedic appliances*
- *Laser machines*
- *Pharmaceutical products*

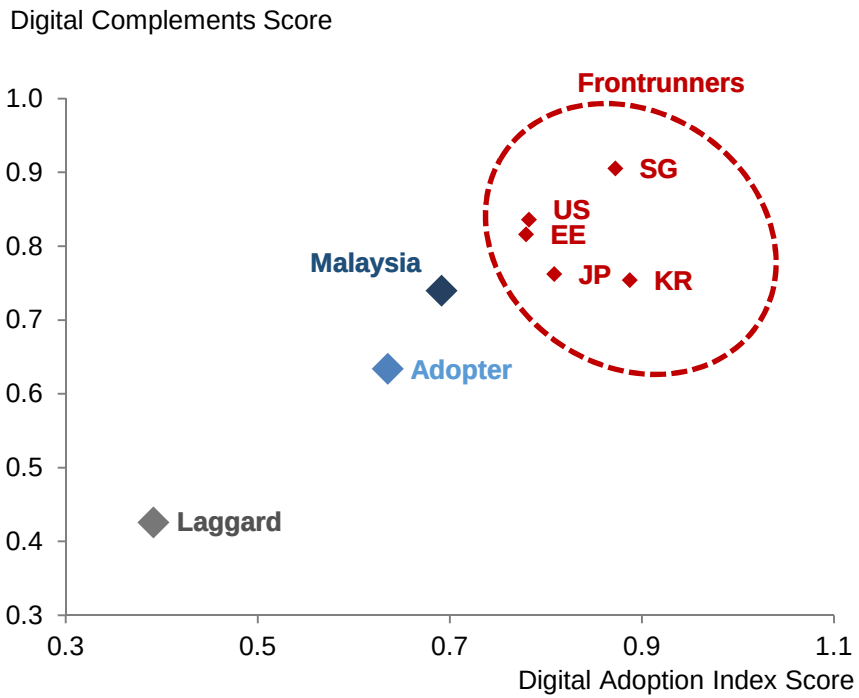


*Expresses a country's overall productive capabilities through its cumulative know-how, skills and technological endowment. Useful track of structural change.
Source: The Atlas of Economic Complexity

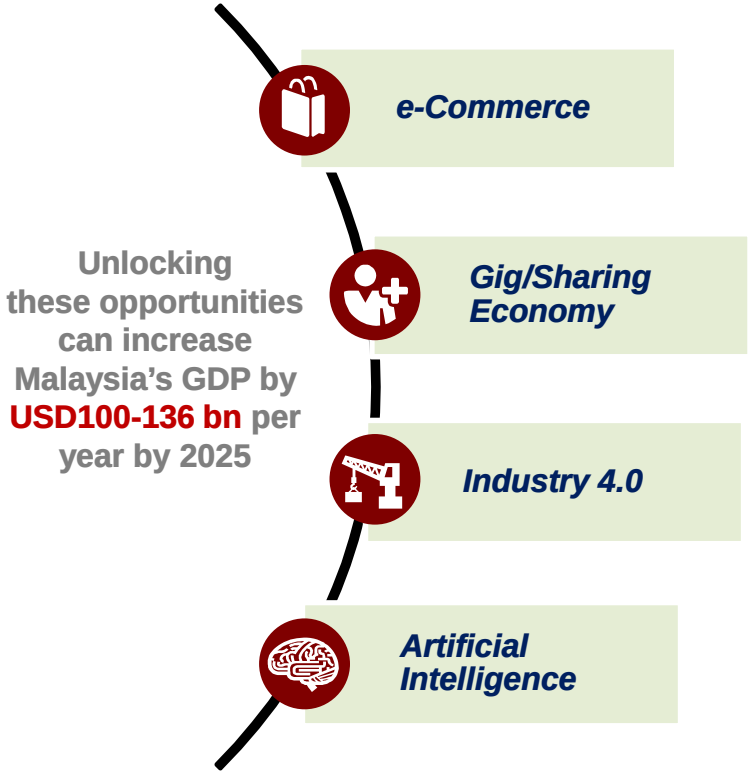
Accelerating the pace of digitalisation will enable Malaysia to unlock new growth areas

Malaysia must progress to frontrunner status on the digital front…

Digital Adoption vs Digital Complements

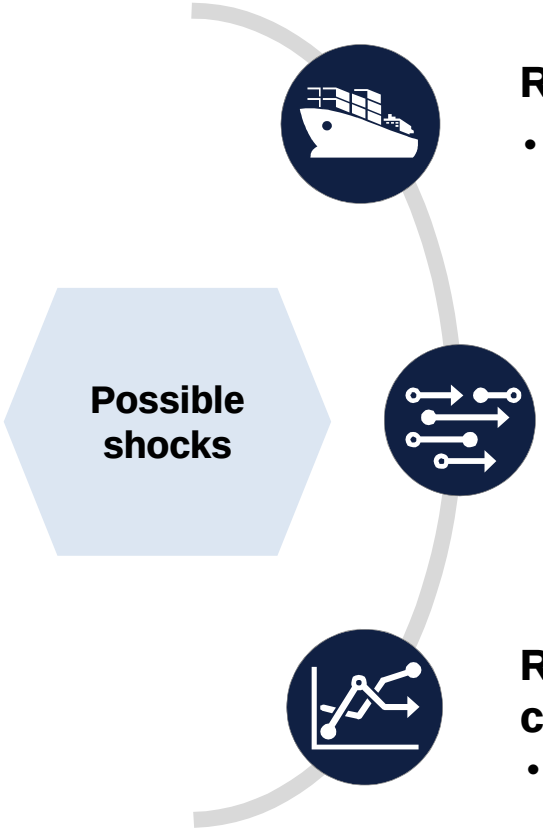


…for the next frontier of productivity gains, higher income and social transformation



Note: Frontrunners are the top 20%, adopters are the 20-50% and laggards are the bottom 50% of the Digital Adoption Index
Source: World Bank (2016)

2018: Possible shocks



Rising trade protectionism

- Negative impact on global trade

Monetary policy shifts in major economies

- Adverse market reaction to tightening of monetary policy

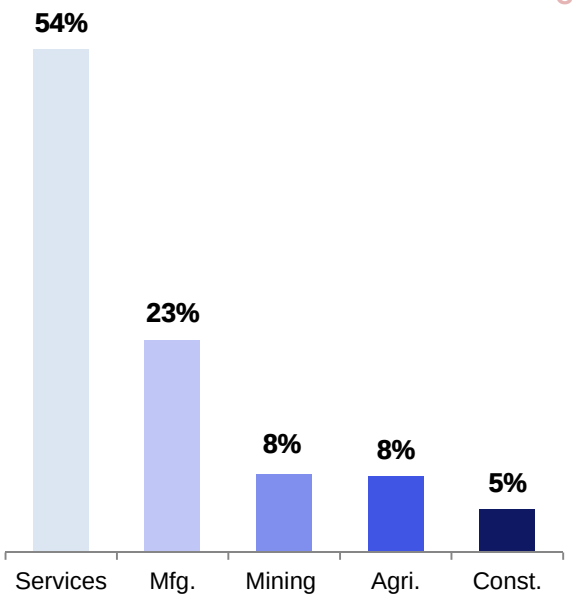
Re-emergence of volatility in financial markets and commodity prices

- Abrupt corrections in markets

Malaysia's macro-economic fundamentals remain well positioned to withstand global shocks and volatility

Diversified sources of growth

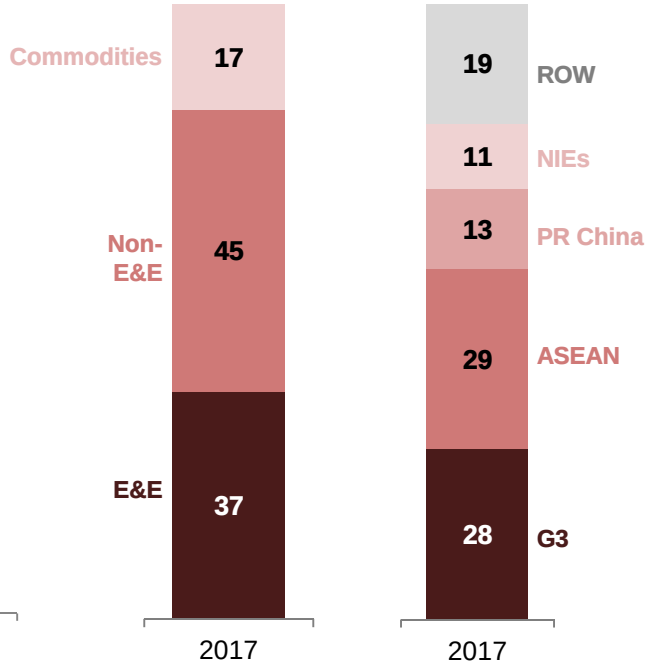
GDP by Economic Sectors (2017)
% share of GDP



Diversified export market and product

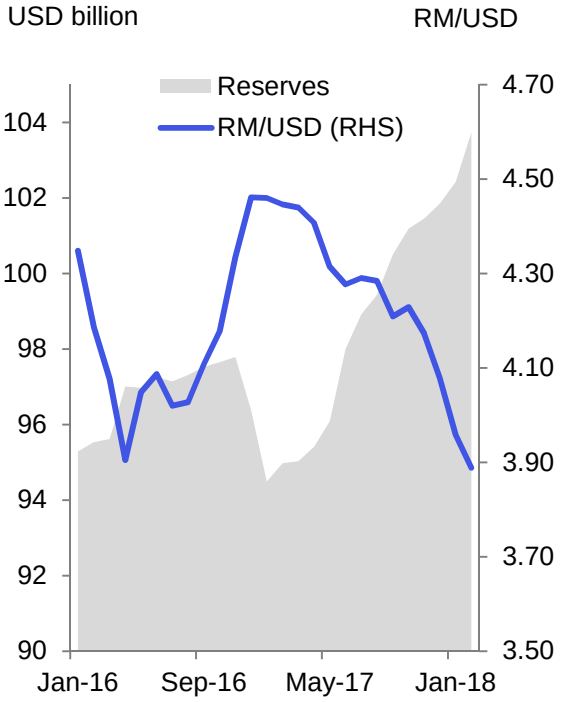
Product
% share of exports

Market
% share of exports



Adequate international reserves and flexible exchange rate

Reserves and Exchange Rate



Sources: Department of Statistics, Malaysia, Bank Negara Malaysia, Bursa Malaysia

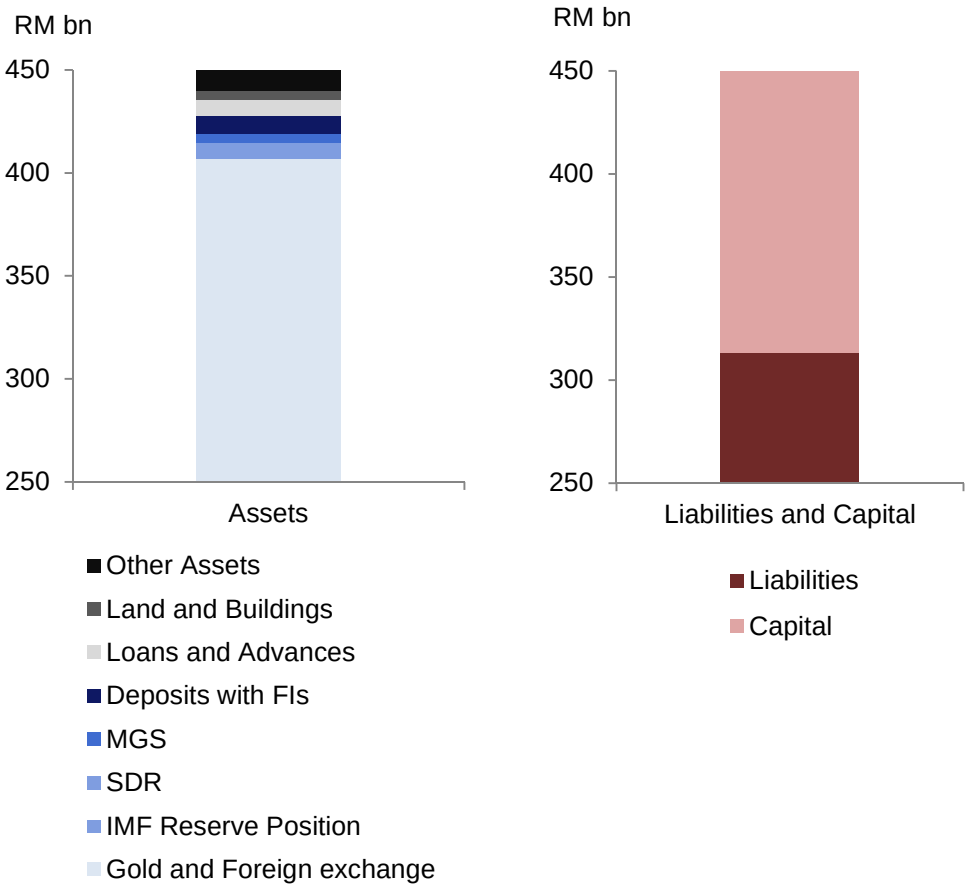
Bank Negara Malaysia: Annual Financial Statement 2017

Financial position remained strong in 2017:

- Total assets of BNM amounted to RM449.85 billion
- Net profit of RM7.47 billion
- 2017 dividend of RM2.5 billion paid to the Government

Bank Negara Malaysia: Annual Financial Statement 2017

Statement of Financial Position (as at 31 December 2017)



Income Statement (Year ended 31 December 2017)

	RM billion
Total Income	**10.04**
Less:	
Recurring Expenditure	1.29
Development Expenditure	1.24
Taxation	0.04
Total Expenditure	**2.57**
Net Profit	**7.47**

Laporan Kestabilan Kewangan dan Sistem Pembayaran 2017

Bank Negara Malaysia

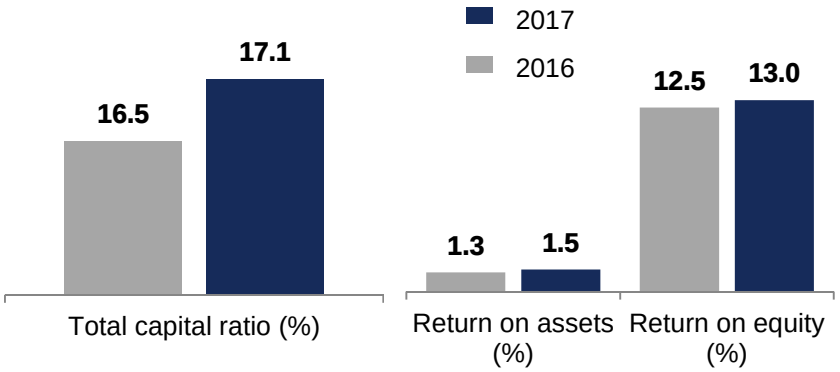
28 Mac 2018

BANK NEGARA MALAYSIA
CENTRAL BANK OF MALAYSIA

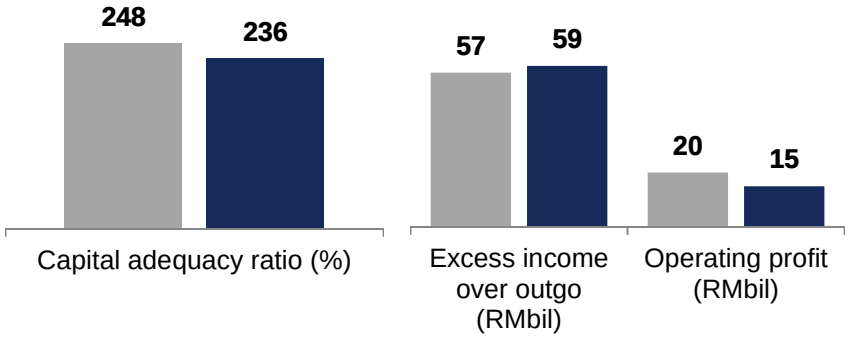
Financial stability was sustained in 2017

Financial institutions have been resilient…

Banking System

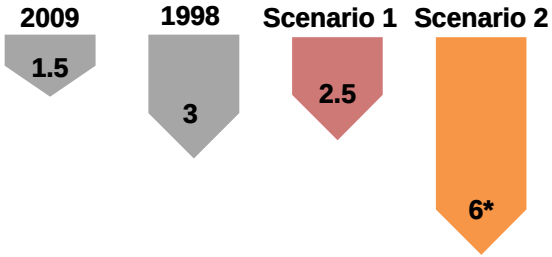


Insurance/Takaful Sector

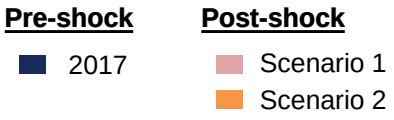


… even when tested against simulated stress scenarios

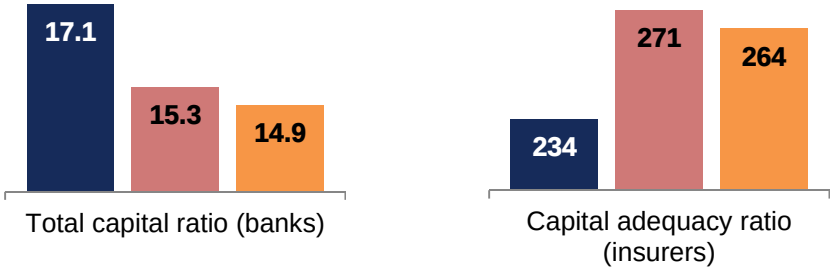
Simulated GDP shocks were more severe than past stress events…



standard deviation from baseline growth



… but banks and insurers remain well above regulatory minima

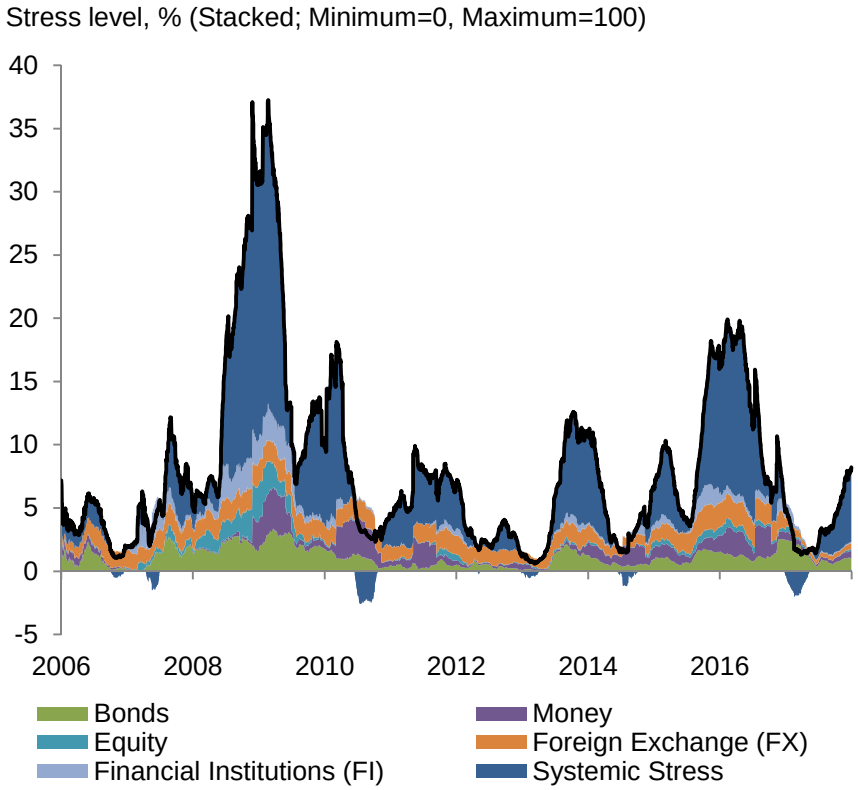


*cumulative shock across stress test horizon (4 years)
Source: Bank Negara Malaysia, Bank Negara Malaysia estimates

BANK NEGARA MALAYSIA
CENTRAL BANK OF MALAYSIA

Domestic financial markets remained orderly amid lower market stress

Financial Market Stress Index (FMSI)



1 **Overall stress in domestic financial markets lower compared to 2016**

2 **Financial market volatility may return in 2018, triggered by:**

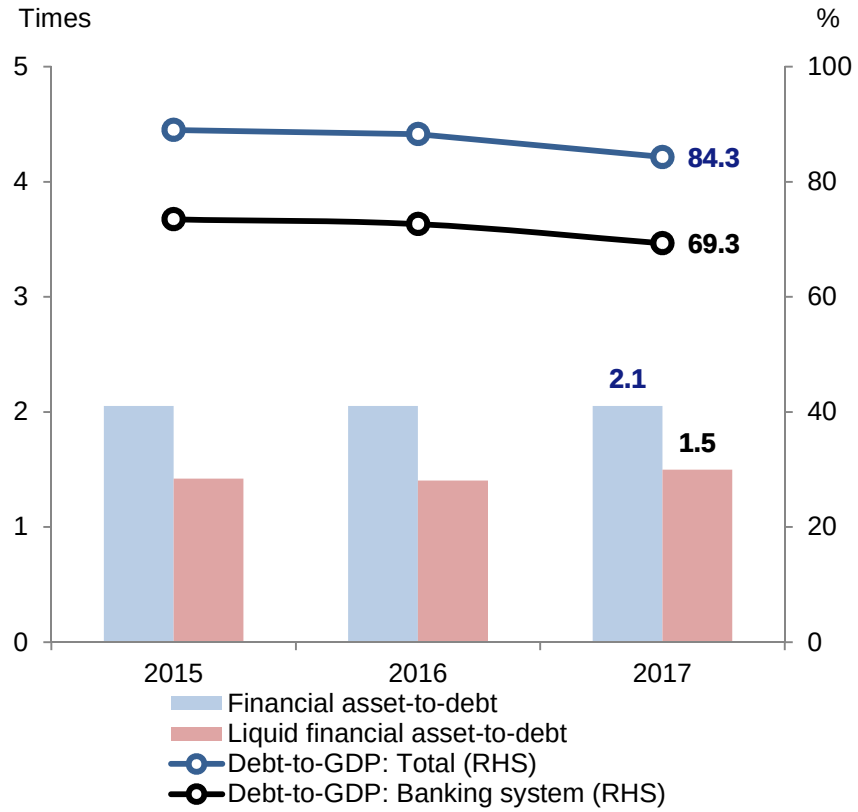
- Geopolitical developments
- Expectations of monetary policy normalisation globally

Note: The FMSI is a risk monitoring tool for the financial market. It measures current conditions in the domestic financial markets and allows different financial stress events to be compared over time.
Source: Bloomberg, Reuters and internal computation

Sustained access to financing for households despite slower growth of debt

Households' financial assets growth outpaced that of debt

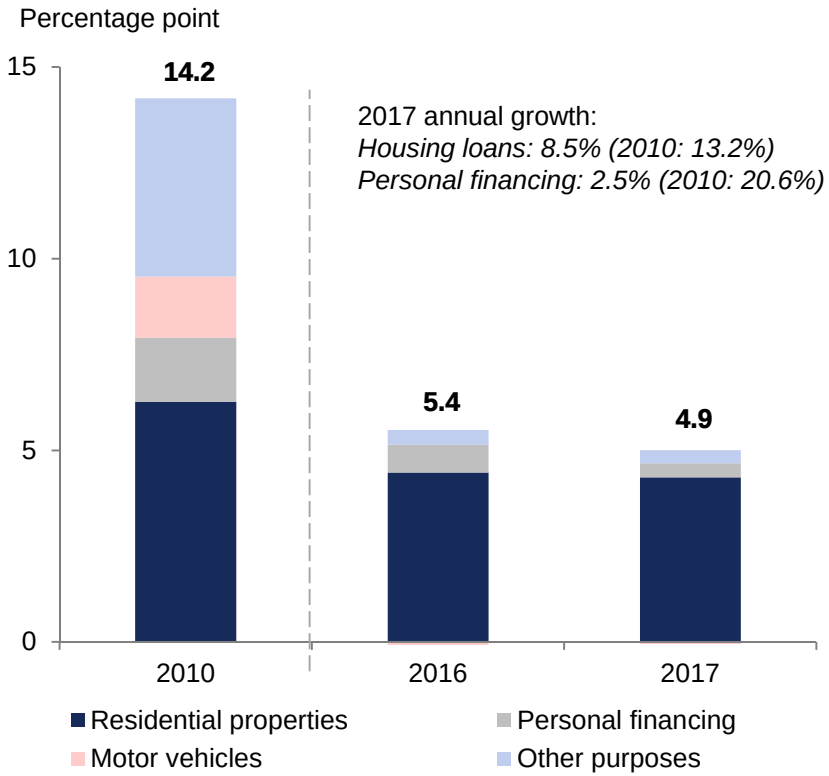
Key Household Ratios



Source: Bank Negara Malaysia

Eligible households continue to have access to financing, with firm expansion in housing loans

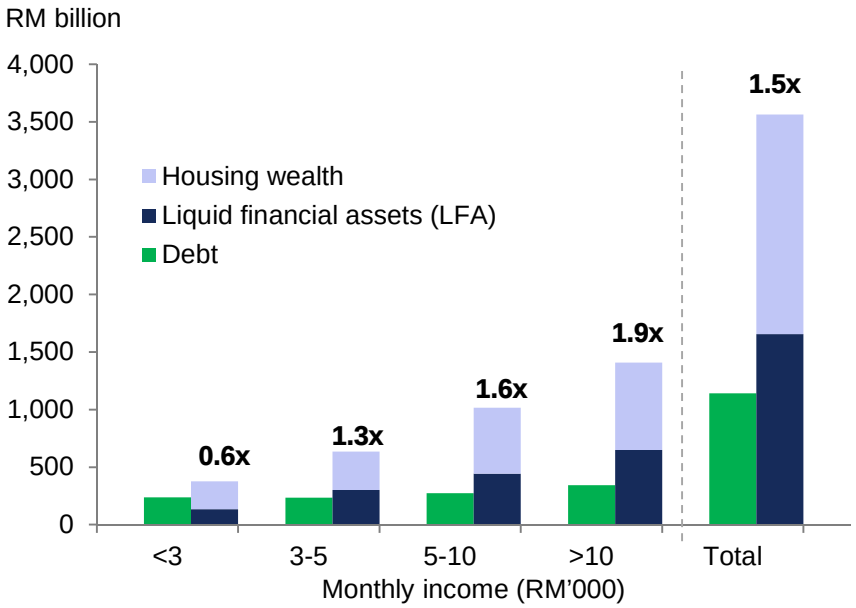
Contribution to Growth in Household Debt



Financial buffers of households vary across income groups with lower-income households more susceptible to shocks

Individuals with monthly earnings more than RM3,000 generally have adequate financial buffers[1]

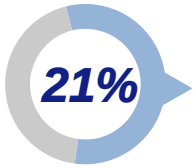
Household Debt, Liquid Financial Assets and Housing Wealth



Profile of individuals earning less than RM3,000:



live in urban areas



have debt service ratio > 60%



are < 30 years old

Banks can withstand potential losses from households under income, cost of living and cost of borrowing shocks

[1] liquid financial asset > total debt

Source: Bank Negara Malaysia, Inland Revenue Board of Malaysia, Department of Statistics, Malaysia

Concerted, proactive efforts being taken to improve household financial well-being

1 Promote responsible lending and borrowing

- Macroprudential measures implemented since 2010 remain relevant and yielding intended effects

2 Improve financial literacy to strengthen financial well-being

- Karnival Kewangan conducted in major cities
- AKPK conducting financial education modules for B40 and M40, university students, new to workforce, retirees

3 AKPK advancing prudent financial behaviour

- Counselled more than 683,000 individuals
- Assisted 201,116 borrowers with total debt of RM21.7 billion under the Debt Management Programme (DMP) between 2006 and 2017
- About 70% of DMP participants have settled or are paying their debts
- Manages a pre-bankruptcy rescue mechanism

Source: Bank Negara Malaysia, Agensi Kaunseling dan Pengurusan Kredit (AKPK)

Leveraging on technology to help consumers make better credit decisions

Housing Watch provides useful information to assist potential house buyers



Affordability assessment

House financing programmes

New residential launches

eCCRIS enhances public access to credit information



Educated
Consumers able to be on top of own credit standing

Empowered
Consumers can take charge of own credit standing

Engaged
Consumers can directly engage with financial institutions to verify/rectify report

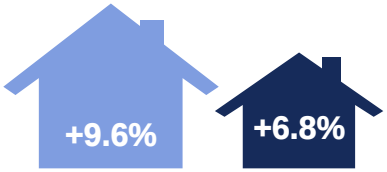
51,000 individuals and businesses* have registered

* Up to 27 March 2018

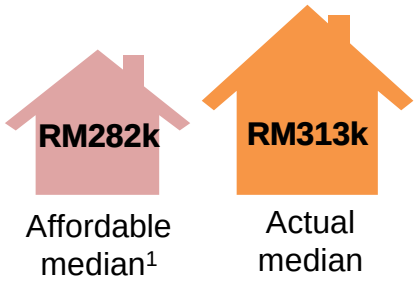
Left unchecked, property market imbalances could aggravate risks with potential negative spillovers

Residential Property

Price growth has moderated…



…but remains unaffordable for many Malaysians



Commercial Property

Oversupply worsening in major centres could exacerbate vacancy rates

	Shopping complex	Office space
Incoming supply by 2021	140 [2]	38mil sqft [3]
2017 vacancy rate (%)	18.8	16.8



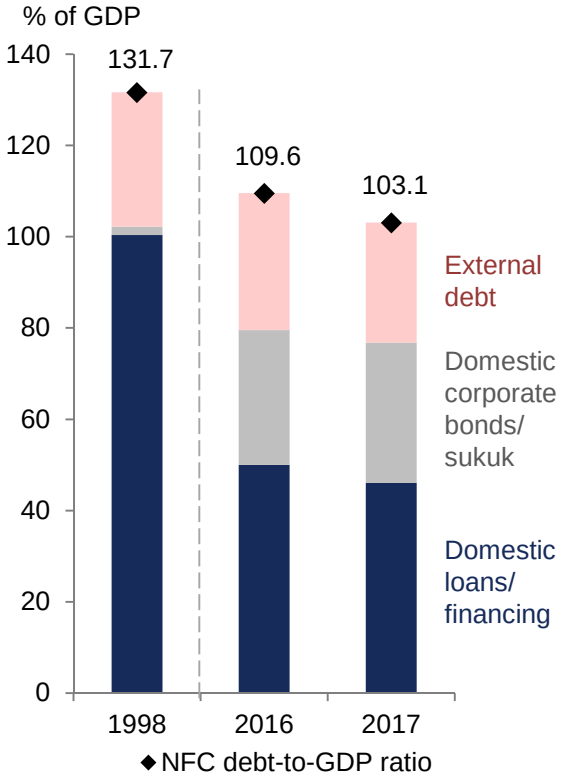
Coordinated effort by relevant stakeholders is key in addressing these imbalances

[1] Based on the Housing Cost Burden (HCB) approach, in which a house is affordable if housing costs are less than 30% of monthly household income
[2] across Klang Valley, Penang, and Johor
[3] in Klang Valley
Source: NAPIC, Department of Statistics Malaysia, Bank Negara Malaysia, Jones Lang Wootton, Bank Negara Malaysia estimates

Corporate sector borrowings continue to support domestic economic activities

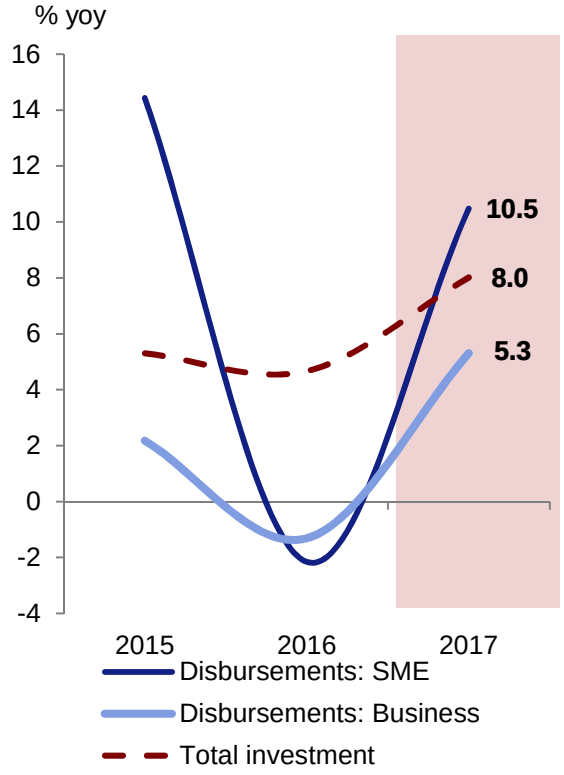
Corporate debt grew 3.4%, driven by new bonds and sukuk issuances

Non-Financial Corporation (NFC) Debt



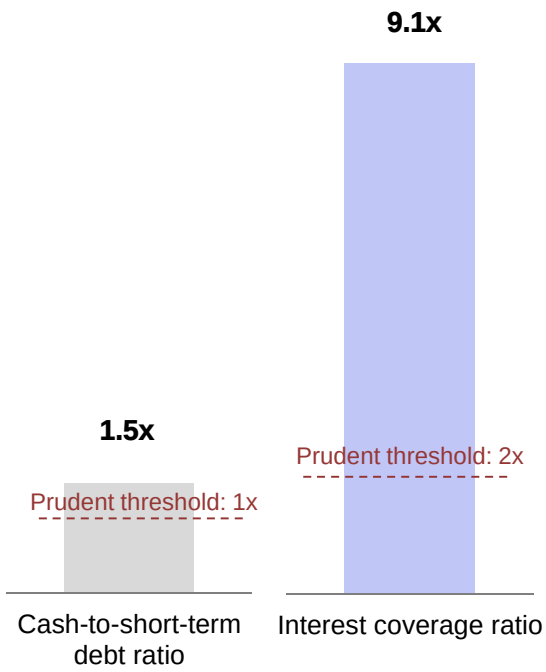
Growth in financing broadly reflect domestic economic activities

Loans Disbursement vs. Investments



Debt servicing capacity of businesses remained sound

Financial Performance of NFCs



Source: Bank Negara Malaysia, Department of Statistics, Malaysia, Bloomberg

Potential risks to financial stability in 2018 remain manageable

Households

Managing living costs remains challenging, but risks are buffered by stable labour market and favourable income growth

Businesses

Oil and gas industry remains vulnerable to uncertainty in oil price movements

Property

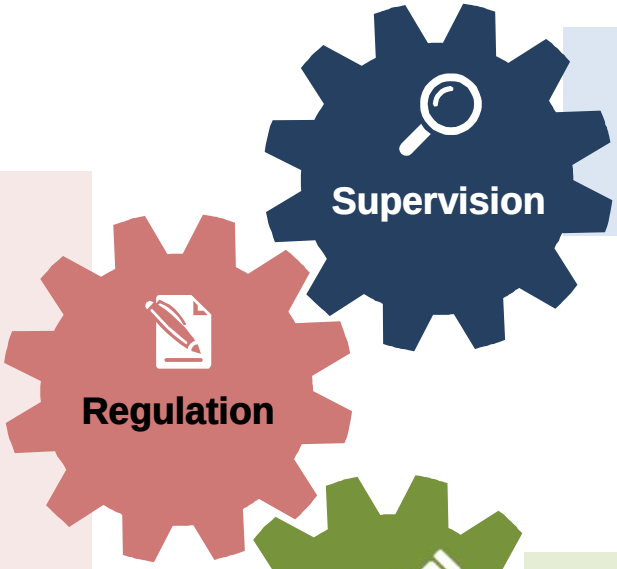
Oversupply of luxury high-rise residential properties, office space and shopping complexes is expected to persist

Financial Markets

Increased market volatility from expectations of tighter monetary policy globally, geopolitical events, and increased trade tensions

Going forward, the Bank will publish Financial Stability Statement and half-yearly Financial Stability Reports

Greater regulatory and supervisory focus on conduct and culture within financial sector



Culture supervision

- Increased supervisory scrutiny on organisational culture and misconduct risk

Employee screening

- Elevate screening practices of financial institutions and transparency on conduct history to facilitate informed hiring decisions

Responsibility Mapping

- Clarify roles, responsibilities and accountabilities of senior officers

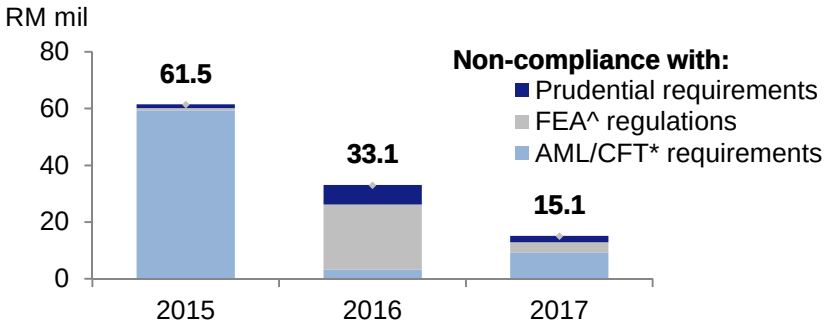
Enforcement actions made transparent

- Details of enforcement actions for significant breaches and contraventions to be publicly disclosed

Strong enforcement and supervisory actions to promote regulatory compliance and responsible business conduct

Strong enforcement actions to improve compliance

Compounds and Monetary Penalties Imposed



Intensified actions against illegal financial schemes

6 **joint raids conducted** on companies suspected of conducting illegal financial schemes

RM400mil **value of assets seized** to assist investigations

Supervisory actions have also been taken to promote fair and responsible conduct

Financial service providers have been directed to:

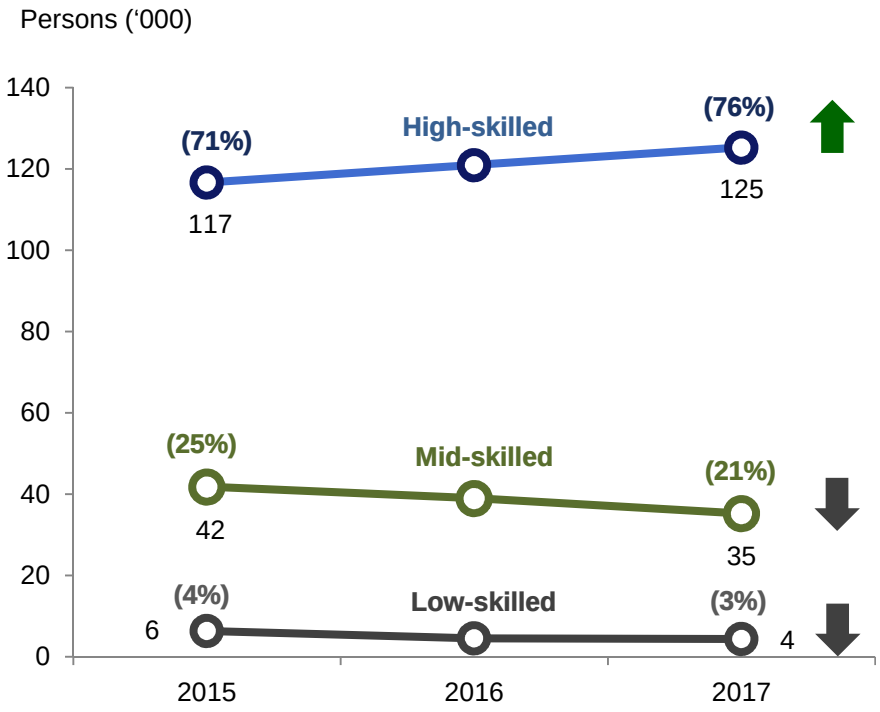
Improve product disclosure	**11** financial institutions
Enhance sales practices	**8** financial institutions
Enhance information safeguards	**33** financial service providers
Strengthen complaints handling	**22** financial institutions

^ Foreign Exchange Administration; * Anti-Money Laundering and Counter Financing of Terrorism
Source: Bank Negara Malaysia

Increasing demand for a high-skilled workforce in the financial sector

76% of the financial sector workforce are high-skilled

Financial Sector* Employment by Skill



Priorities for talent management

Strengthen core competencies and professional standards

Transition jobs at risk to new roles

Expand talent pool diversity

Enhance data quality and transparency

*The financial sector comprises banking institutions, development financial institutions, insurers and takaful operators

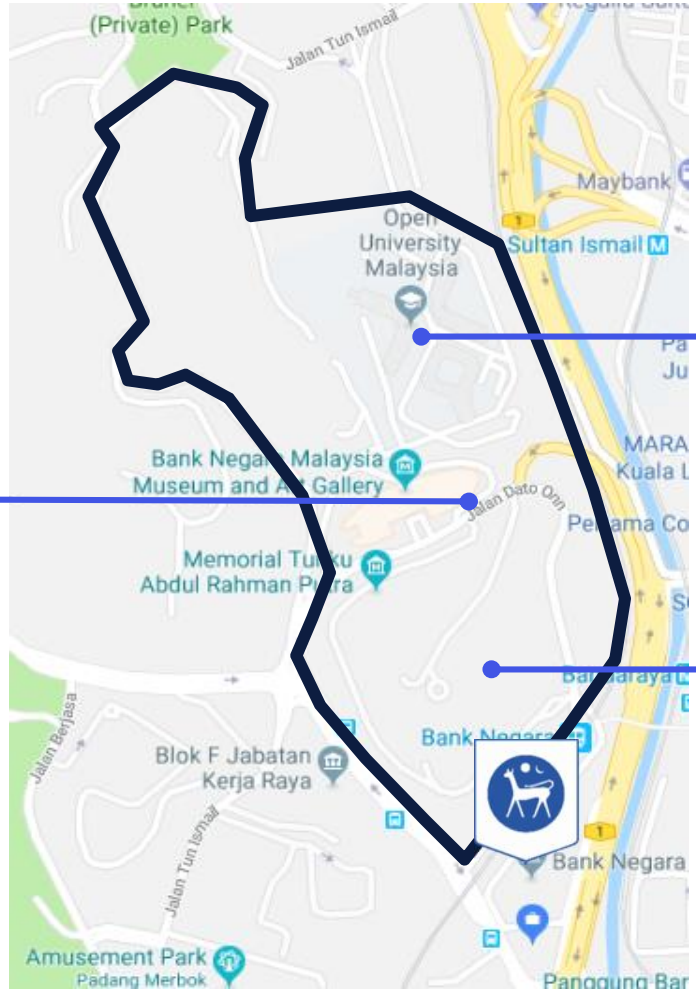
The Bank has put in place extensive institutional infrastructure to meet the diverse needs of financial services professionals

Education affiliates to meet the needs of the financial sector at varying stages

Education & Research	Training & Certification	Standards & Accreditation	Leadership Training
The SEACEN Centre	**AIF** *Asian Institute of Finance*	**AIF** *Asian Institute of Finance*	**The Iclif Leadership and Governance Centre**
INCEIF *International Centre for Education in Islamic Finance*	**ABS** *Asian Banking School*	**IFSB** *Islamic Financial Services Board*	
ISRA *International Shari'ah Research Academy for Islamic Finance*	**IBFIM** *Islamic Banking and Finance Institute Malaysia*	**FAA** *Finance Accreditation Agency*	
AFI *Alliance for Financial Inclusion*	**AICB** *Asian Institute of Chartered Bankers*		
World Bank K-Hub	**FSPB** *Financial Services Professional Board*		
Inno-Lab	**CIIF** *Chartered Institute of Islamic Finance*		
	MII *Malaysian Insurance Institute*		

Creating synergies to develop talent in the financial sector and raise professional standards

The Financial Education Hub will host 200,000 finance practitioners by 2020



The SEACEN Centre

ISLAMIC FINANCIAL SERVICES BOARD

afi Alliance for Financial Inclusion
Bringing smart policies to life

THE WORLD BANK
IBRD • IDA | WORLD BANK GROUP

INCEIF
THE GLOBAL UNIVERSITY OF ISLAMIC FINANCE

ISRA
الأكاديمية العالمية للبحوث الشرعية

BANK NEGARA MALAYSIA
CENTRAL BANK OF MALAYSIA

ASIAN INSTITUTE OF CHARTERED BANKERS

ASIA School of Business
in collaboration with MIT Sloan Management

IBFIM

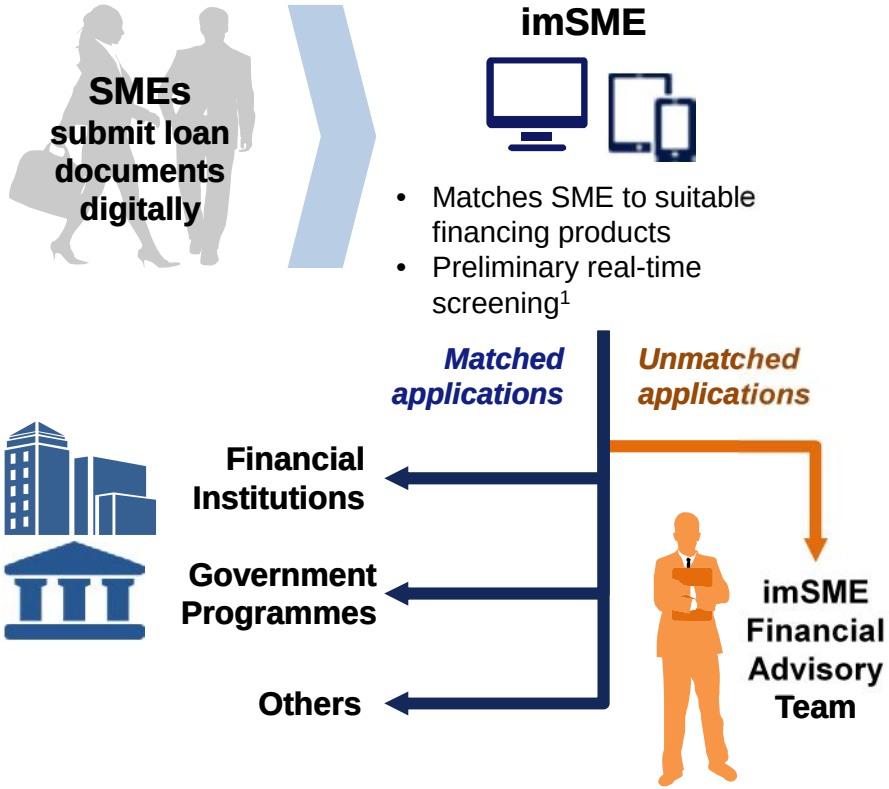
AIF
ASIAN INSTITUTE OF FINANCE

iclif
The Iclif Leadership and Governance Centre

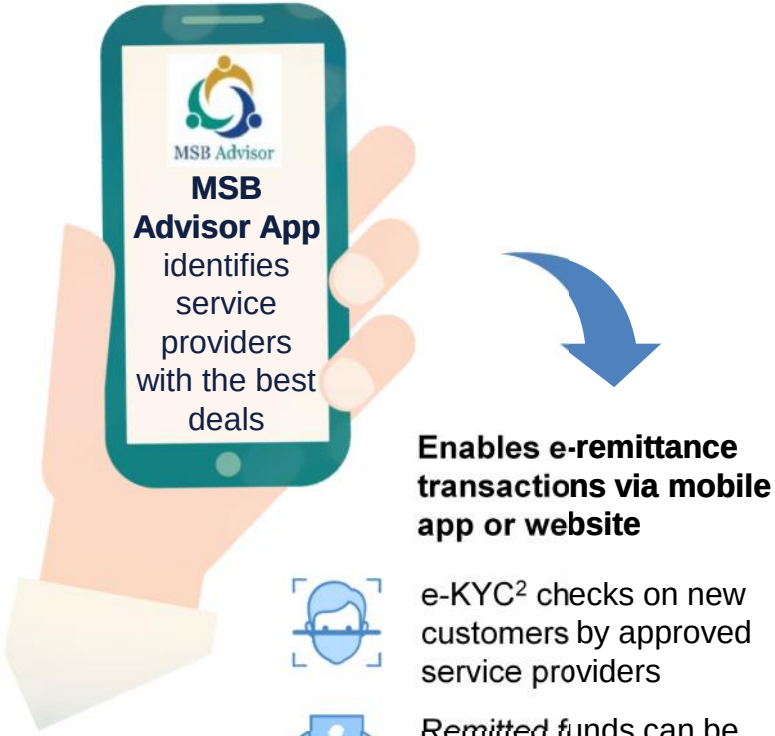
THE MALAYSIAN INSURANCE INSTITUTE

Digitising financial services via online platforms

imSME launched in Feb 2018 provides SMEs with access to products via a single interface



End-to-end digital solutions to increase usage of authorised money services business



[1] by Credit Bureau Malaysia and Companies Commissions of Malaysia
[2] electronic Know-Your-Customer

Migration to e-payments progressing well and will be accelerated

Progress on Financial Sector Blueprint targets enabled by reform measures

Pricing reform framework

e.g. lowering of IBG fee, introduction of cheque fee

RM1.6 billion
savings for banks and consumers

e-Payment Incentive Fund Framework

Cheque fee chanelled back to customers

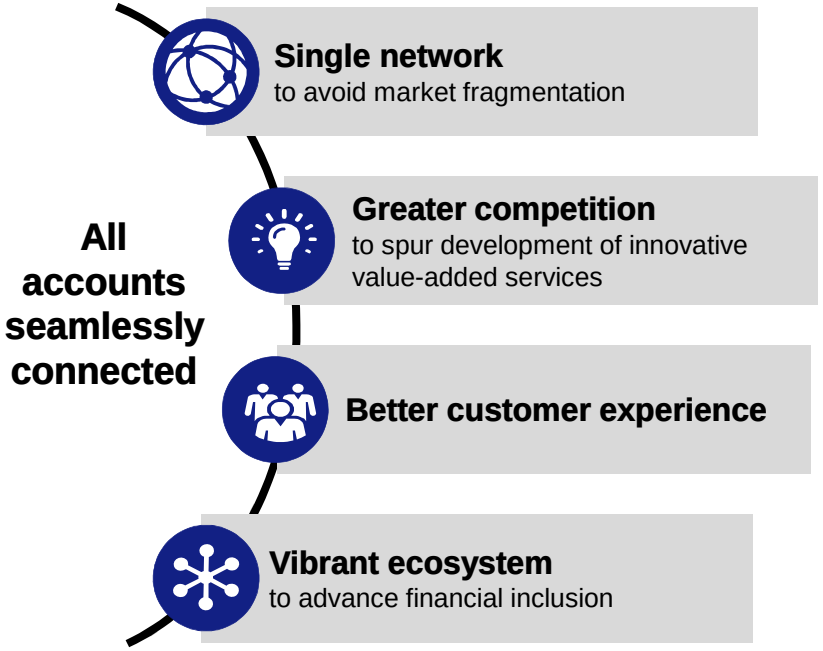
RM175 million
utilised to fund e-payment incentives

Payment Card Reform Framework

e.g. address distortions and enhance competition in payment card market

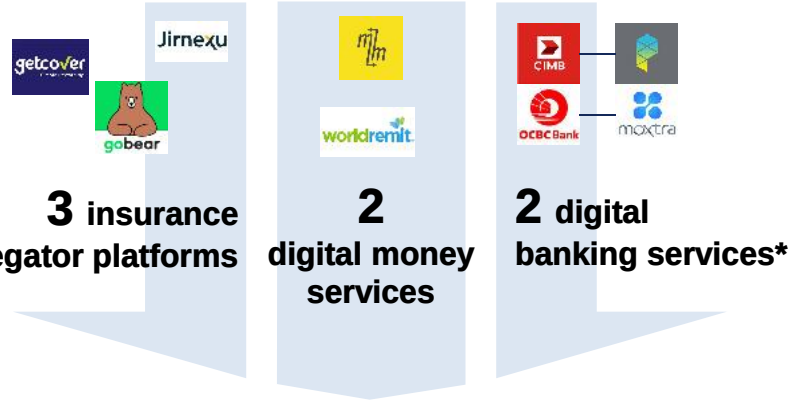
RM508 million
savings for merchants from Merchant Discount Rates (MDR)

Interoperable Credit Transfer Framework (ICTF) will accelerate mobile payments adoption



Fostering innovation, with greater transparency

7 innovative solutions approved for live testing in the Fintech Regulatory Sandbox



3 insurance aggregator platforms

2 digital money services

2 digital banking services*

17,000
customers purchased insurance/takaful products

Up to **40%**
savings from online remittances

>2,000
customers remitted online using e-KYC

RM21mil
remitted through Sandbox participants

Making digital currencies transparent in Malaysia

Reporting Obligations on Digital Currency Exchangers

- **Declare to the Bank as a Reporting Institution**
- **Customer due diligence and record keeping**
- **Report illegal, unusual, unlawful or suspicious transactions**
- **Businesses must be incorporated, and compliance officer based in Malaysia[1]**
- **Penalties[2] will be imposed for non-compliance**
- **The Bank may publish information relevant for users to assess risks**

* Solutions involve e-KYC and secured chatting platform to facilitate banking transactions
[1] Compliance with Companies Act 2016's requirement
[2] under the The Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (AMLA)

Raising the impact of Islamic finance to the economy and society

1 Value-based intermediation as an overarching tool to strengthen impact of Islamic banks

Examples:

- Impact-based credit assessments
- Financial capability advice
- Customer-aligned key performance indicators and incentives for staff

2 Investment accounts and Investment Account Platform to support entrepreneurship

RM78.7 bil
Investment account outstanding amount

RM95.3 mil
Funds raised through Investment Account Platform

Key implementation strategies :



- **Nurturing potential champions**
- **Enhanced disclosure**
- **Strategic networking**
- **Performance measurement**

3 Cash waqf to empower local communities

10
States have agreed to cash *waqf* collaboration

Purposes:

- **Economic Empowerment**
- **Education**
- **Health**

Source: Bank Negara Malaysia

Increasing insurance and takaful penetration remains a key priority

Despite positive growth in total premiums and contributions…

+3.5%
Overall

+5.8%
Life and family[1]

Key drivers
- Growth in investment-linked insurance and credit-related takaful

-0.4%
General[2]

Key drivers
- Growth in motor, fire and medical business
- Impacted by downturn in oil and gas business

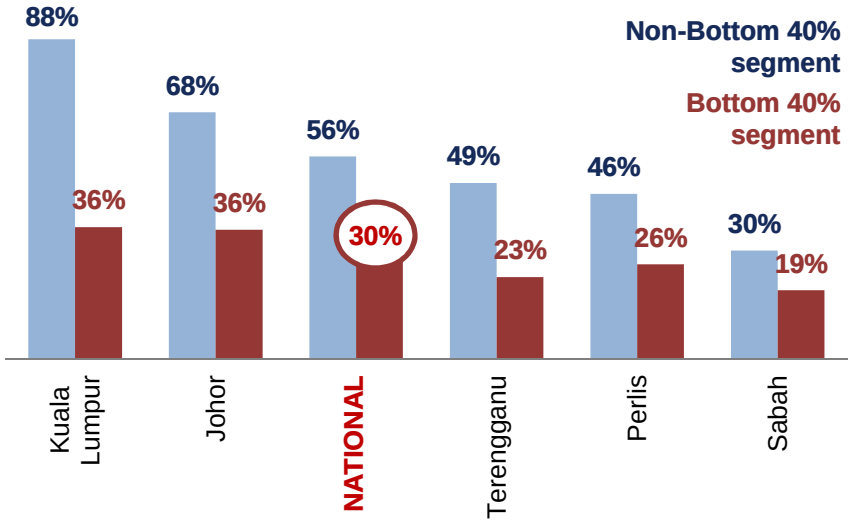
…protection gap remains, particularly among B40

36.5%
National penetration

50.4%
Working-age (ages 20-59) only

30.3%
B40 working-age (ages 20-59) only

Penetration rates of 20-59 year olds, national and by selected states



[1] New premiums and contributions for life insurers and family takaful operators
[2] Gross premiums and contributions for general insurance and takaful sector
Source: Bank Negara Malaysia

Development efforts geared towards enhancing access and quality of insurance and takaful for all segments of society

1 PERLINDUNGAN tenang MAMPU & MUDAH

- Affordable and simple products introduced
- Distributed through mobile phones, bank branches, internet and agents
- 10 products to date:
  - 6 life insurance
  - 3 family takaful
  - 1 fire insurance

2 LIFE Framework

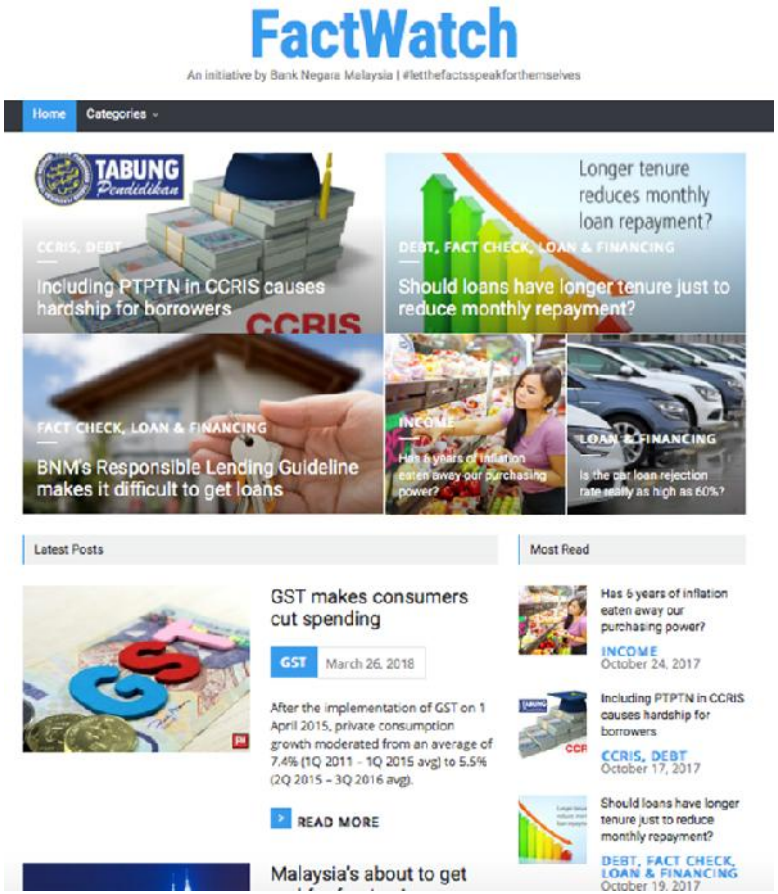
- More diverse and higher quality distribution channels
- Pure protection term life/ family products now offered online or at branches
- Balanced Scorecard Framework incentivises agents towards higher professionalism

3 Motor Tariff Liberalisation (Phase II)

- Refined pricing practices to better reflect the underlying risk profiles
- Greater innovation e.g. motor insurance priced based on actual vehicle usage

FactWatch.my intended to debunk misinformation

- The Bank has always advocated for greater disclosure and transparency to help decision-making, and to build confidence
- A rich information environment, comprising not just facts, but opinions and experiences, both positive and negative, further helps in decision-making and validating the facts
- However, misinformation and "opinion presented/treated as fact" create confusion and myths, can mislead and cause harm.
- Debunking misinformation quickly is important to create and maintain a healthy information environment



http://factwatch.my

FactWatch.my focuses on areas pertaining to the Bank

Some examples over the years include:

- Monetary Policy Statement – justifications for OPR decisions
- Rates and statistics on its website & periodicals
- Disclosure of enforcement actions under the laws administered by the Bank

- FactWatch.my aims to provide factual information to correct misinformation and address misleading claims
- Does not provide opinions
- Focus is on areas pertaining to the Bank, such as economy, financial sector, financial consumers
- Complements other fact-checking efforts such as sebenarnya.my
- Posts will be shared on official social media accounts for more effective dissemination