CALENDAR OF EVENTS
April – June 2009

7 April 2009

The Bank announced the issuance of Sukuk Simpanan Rakyat 2009 amounting to RM2.5 billion. The Shariah principles based scripless sukuk (Islamic bond), which offers a tax-free return of 5% per annum, is an additional savings instrument made available for Malaysian citizens aged 21 years and above. On 17 April, the issuance amount was increased to RM5 billion using the allocation of the second series due to overwhelming response from the public and was fully subscribed on 27 April.

16 April 2009

Governor Dr. Zeti, in her keynote address at the Launch of SME Credit Bureau, said the establishment of the bureau is another component in generating a financial intermediation process that is more efficient and effective towards ensuring greater access to credit to the SME sector. She added that small and medium enterprises (SMEs) will benefit greatly from the services of the bureau in terms of building their credit reputation, fairer assessment of SMEs credit worthiness and better understanding of the credit evaluation process.

27 April 2009

The Bank announced further liberalisation of the financial sector which aims to strengthen Malaysia's economic interlinkages with other economies and enhancing the role of the financial sector as a key enabler and catalyst of economic growth. This liberalisation moves are towards achieving the long-term vision to have a financial sector that is efficient, resilient and dynamic. Malaysia's approach towards liberalisation would be selective and sequenced to ensure maximum benefits to the country, and supplemented with sufficient safeguards to ensure that the overall intermediation function of the financial system remains intact, effective and sound.

Highlights of the measures to liberalise Malaysia's financial services industry:

I. Issuance of new licences

Issuance of up to nine new banking and insurance licences with the maximum of :

- two new Islamic banking licences in 2009 for foreign players to establish new Islamic banks with
  paid-up capital of at least US$1 billion each;
- two new commercial bank licences in 2009 for foreign players with 'specialised expertise';
- three new commercial bank licences in 2011 for 'world-class' banks; and
- two new family takaful licences in 2009

II. Increase in foreign equity limits

- Raising of foreign equity limit in domestic Islamic banks, investment banks, insurance companies and takaful operators from 49% to 70% with immediate effect. A higher foreign equity limit beyond 70% for insurance companies will be considered on a case-by-case basis for players who can facilitate consolidation and rationalization of the insurance industry.

III. Operational flexibilities

- Offshore banking institutions and offshore insurance companies, licensed by LOFSA that meets the pre-determined criteria, will be given flexibility to establish their physical presence onshore in 2010 and 2011 respectively
- Locally incorporated foreign commercial banks are allowed to establish up to four new branches in 2010 and with immediate effect, up to ten microfinance branches.
- Locally incorporated foreign insurance companies and takaful operators are allowed to establish branches nation-wide without restriction, with immediate effect.
- Banking institutions, insurance companies and takaful operators, will be given greater flexibility in hiring specialist expatriates, with immediate effect.

On the same day, the Bank issued a set of commemorative coins to commemorate the 75th Anniversary of the Royal Malaysian Navy. The coins are available in three specifications; Gold Commemorative Coin (proof), Silver Commemorative Coin (proof) and Nordic Gold Brilliant Uncirculated (B.U) Commemorative Coin. Members of the public can buy the coins from Bank Negara Malaysia's headquarters (BNMLINK) and its branches located in Pulau Pinang, Johor Bahru, Kuala Terengganu, Kota Kinabalu and Kuching.

29 April 2009

At its third meeting for 2009, the Bank's Monetary Policy Committee (MPC) decided to leave the Overnight Policy Rate (OPR) unchanged at 2.00 percent. The MPC stated that the domestic economy is expected to record a marked contraction in the first quarter of 2009 and it will prevail until the second quarter of the year. Nevertheless, the domestic economy is expected to improve in the second half of 2009, supported by likely stabilisation in global economic conditions and the larger impetus from the implementation of the fiscal stimulus measures.

6 May 2009

The Bank and the United Nations Advisors Group (UNAG) on Inclusive Financial Sectors jointly hosted the "Asia Regional Forum on Policy and Regulation of Financial Inclusion" from 6 to 7 May. The Forum provided the opportunity for senior policymakers, regulators and financial experts from 14 Asian countries to discuss strategic issues concerning financial inclusion globally and in the Asian region. The participants also deliberated on the role of regulators in establishing a regulatory infrastructure that supports the unique role played by microfinance institutions in ensuring that more are able to have access to financial services.

13 May 2009

In her speech at LOFSA's Luncheon Talk with Foreign Embassies in Malaysia, Governor highlighted that Labuan International Business and Financial Centre (IBFC) has maintained positive growth in 2008 across all key business sectors despite the more challenging global environment. She added that further policy initiatives to transform Labuan IBFC from a traditional offshore financial centre to a vibrant International Business and Financial Centre has also been implemented in that year. She indicated that the implementation of the initiatives reflects the commitment of LOFSA and the Government in ensuring that the development of Labuan IBFC continues to be given priority and that it will continue to remain competitive as a highly connected, convenient and cost-efficient business and financial centre in Asia.

15 May 2009

The Government announced the establishment of Danajamin, a national financial guarantee institution that would provide credit enhancements to facilitate corporations with viable businesses and investment grade ratings to enhance their access to the Malaysian bond market. Danajamin is regulated and supervised by the Bank and is subject to prudential requirements governing its risk-taking activities and management of risks.

26 May 2009

The MPC decided to leave the OPR unchanged at 2.00 percent. The deterioration in the world economy during the first quarter was worse than expected as the global financial turmoil became more prolonged. The domestic economy continues to be adversely affected by the significant contraction in external demand, resulting in steep declines in exports and industrial production. However, a more modest pace of decline in the latest indicators of global economic activity suggest the potential for a gradual improvement in the second half of the year. With sizeable and sufficient liquidity in the system, continued emphasis will be given to ensure an adequate flow of credit to all segments of the economy.

27 May 2009

The Bank announced that the Malaysian economy contracted by 6.2% in the first quarter of 2009, amidst a significant deterioration in the external demand following the deepening recession in advanced economies. However, the prognosis for improved economic conditions looks brighter in the second half of the year, supported by fiscal stimulus measures and continued access to financing.

30 May 2009

Senior officials of the Bank and Bank of Thailand (BOT) met in Bangkok as part of their regular dialogue and to exchange views on current issues facing the domestic, regional and international economy and financial system. The two central banks agreed to pursue avenues to further bolster bilateral initiatives in the financial system to reinforce the high degree of economic and trade integration of both Malaysia and Thailand. The meeting also agreed to explore and pursue new avenues of cooperation and to broaden the activities of financial institutions in their respective economy.

30 June 2009

The Bank announced the nationwide roll out of the Cheque Truncation and Conversion System (CTCS). Effective 1 July, the cheque clearing system in Malaysia is driven by the transmission of cheque images and data between banks and the clearing house as compared with the previous physical exchange of cheques. The CTCS is managed and operated by the Malaysian Electronic Clearing Corporation Sdn. Bhd. (MyClear), a wholly-owned subsidiary of the Bank. The system will enhance the efficiency of the payout structure for both consumers and businesses and contributes toward lowering the cost of doing business, thereby enhancing the competitiveness of the overall economy. The implementation of CTCS reflects the Bank's continuous effort to promote wider adoption of e-payments for transactions.