CALENDAR OF EVENTS
January – March 2009

21 January 2009

At its first meeting for 2009, the Bank's Monetary Policy Committee (MPC) decided to reduce the Overnight Policy Rate (OPR) by 75 basis points to 2.50% while the Statutory Reserve Requirement (SRR) was also cut from 3.5% to 2% effective 1st February. With the heightened downside risks to growth, the magnitude of the reductions in the OPR and the SRR were aimed to be pre-emptive in providing a more supportive monetary environment for the domestic economy. At its subsequent meeting on 24 February, the MPC reduced the OPR further by 50 basis points to 2% while the SRR was adjusted downwards from 2% to 1% effective 1st March to reduce further the cost of intermediation.

23 January 2009

The Bank announced the establishment of a RM2 billion SME Assistance Guarantee Scheme to ensure that viable Small and Medium Enterprises (SMEs) adversely impacted by the current economic slowdown will continue to have access to adequate financing. Eligible SMEs can obtain financing of up to RM500,000 each with tenures of up to 5 years. The Credit Guarantee Corporation Berhad (CGC) will provide an 80% guarantee cover for financing approved under this Scheme. SMEs can apply for this Scheme at any commercial and Islamic banks as well as participating development financial institutions.

28 January 2009

The Bank announced the issuance of Bon Simpanan Merdeka 01/2009 amounting to RM1 billion. The bond, which is scripless and based on Shariah principles, is an additional savings instrument for Malaysian senior citizens aged 56 years old and above, as well as those who retired on medical grounds. The bond, which went on sale from 18 February, has a 3-year tenure and offers a tax-free return of 5% per annum with the flexibility for early redemption. On 11 March, the Bank announced that the bond was fully subscribed.

6 – 7 February 2009

The Bank hosted the 44th South East Asian Central Banks (SEACEN) Governors' Conference and the 28th Meeting of the SEACEN Board of Governors at its headquarters. Governors and representatives of the sixteen SEACEN members and two other central banks which joined as observers participated in the Conference which was officiated by Dato' Sri Mohd Najib Tun Razak, the then Deputy Prime Minister of Malaysia. Chaired by Governor Dr. Zeti, the theme for the Conference was "Preserving Monetary and Financial Stability in the New Global Financial Environment". In his opening address, Dato' Sri Najib said that policymakers and authorities, need to identify and adequately manage new sources of systemic risks to preserve the stability of the financial system. He added that further reforms of the Asia's financial system are needed to ensure its resilience towards the volatility of the global economic and financial environment. In her welcoming remarks, Governor noted that the Asian region has benefited from the reforms and restructuring of its respective financial systems and economies following the Asian Financial crisis. Greater financial and economic integration in the region, reinforced by greater regional collaboration and cooperation, contribute towards building a stronger regional stability and resilience. She highlighted that recent global economic and financial instability have underscored the critical importance of good governance, sound risk management, rigorous supervision and strengthened crisis management framework to withstand extreme market conditions. Governor also added that greater international collaboration and re-alignment of international financial architecture is urgently needed to reduce the regional financial, economic and social costs.

8 February 2009

The Bank and the People's Bank of China established a RM40 billion (80 billion yuan) bilateral currency swap arrangement to promote bilateral trade and investment for economic development of the two countries. The effective period of the arrangement will be 3 years, and could be extended by agreement between the two nations.

8 – 11 February 2009

The Bank held a series of meetings and events in conjunction with its 50th anniversary. The series of events and meetings started off with Islamic Financial Services Board (IFSB) Public Lecture on Financial Policy and Stability, followed by Bank of International Settlements (BIS) Asian Consultative Council Meeting as well as BIS Special Governor's Meeting and Central Bank Governor's Forum. More than 40 central bank governors attended these meetings. In her keynote address at the Bank's 50th Anniversary special ceremony, Dr. Zeti shared the Bank's experience during the past fifty years in preserving monetary and financial stability as well as in supporting the sustainability of economic development in Malaysia. From 10 to 11 February, the Bank also organised a High Level Conference with the theme 'Central Banking in the 21st Century: Implications of Economic and Financial Globalisation'. The conference covered economic and financial market developments and their implications for monetary and financial stability. The unique challenges posed to central banks and the prospects of central bank cooperation and the role of central banks in the global financial architecture were the subjects of in-depth discussions. Central bank governors, leading academicians and eminent members of the financial community were invited as speakers for the conference.

12 February 2009

The Bank was awarded the "Best Central Bank in Promoting Islamic Finance" at the Islamic Finance news Awards 2008 Ceremony held at Mandarin Oriental Hotel, Kuala Lumpur. This is the fourth consecutive year that the Bank had won the award. In the second and third place were the State Bank of Pakistan and the Central Bank of Bahrain, respectively.

24 February 2009

At the Euromoney 8th Annual Islamic Finance Summit in London, Dr. Zeti in her keynote address, highlighted the potential for Britain and Malaysia to collaborate and pave the way towards bridging the Islamic financial markets between the East and the West. Governor added that participation of international financial centres such as London would reinforce the trend of greater internationalisation of Islamic finance. This, in turn, will help to strengthen inter-linkages in the international Islamic finance system and optimisation of the allocation of financial resources across borders. On the same day Dr. Zeti was presented with an award by the London based Euromoney Magazine in recognition for her Outstanding Contribution to Islamic Finance. The magazine gave due recognition to Dr. Zeti as one of Islamic finance's most prominent advocates and her significant role in promoting Malaysia as a hub for Islamic finance.

25 February 2009

The Bank signed a Memorandum of Understanding (MoU) with the UK Trade and Investment (UKTI) in London to establish a collaborative framework to promote mutual co-operation in the area of Islamic finance. Under the MoU, Malaysia and UK will cooperate in the development of talent and expertise, business linkages and infrastructure support in Islamic finance.

6 March 2009

The Bank announced the appointment of Encik Bakarudin Bin Ishak and Dr. Sukhdave Singh as Assistant Governors effective 5 March. This brings the number of Assistant Governors in the Bank to eight.

25 March 2009

The Bank released its Annual Report and the Financial Stability and Payment Systems Report for 2008. At the press conference, Governor announced that the Malaysian economy registered a growth of 4.6% in 2008. Growth was supported by robust domestic demand, particularly sustained private consumption and strong public spending during the year. On the supply side, the services sector maintained its robust performance in the first half of the year, driven by strong demand and the expansion in trade and tourism activities. However, in the second half-year, all economic sectors were affected by the global downturn and the sharp correction in commodity prices. Headline inflation was higher at 5.4% in 2008, due mainly to the sharp increase in global food and fuel prices. As for the outlook for the Malaysian economy in 2009, Governor highlighted that the real GDP performance is projected to be between -1% to 1% while inflation is expected to average between 1.5 – 2%.

On the financial system, Governor added that the Malaysian financial sector remained stable and resilient against the backdrop of global economic and financial market turmoil. Pre-emptive measures taken by the Bank and the Government during the year preserved confidence and stability in the financial sector. Capitalisation and solvency positions were sustained at strong levels with sufficiently high level of financial buffers, supported by strengthened institutional structures and enhanced governance and risk management practices.