



**Asia-Pacific
Economic Cooperation**

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Session 1

Leadership in Practice: Financial Inclusion Strategies in Malaysia

Submitted by: Malaysia



**APEC Financial Inclusion Working Group
Meeting
Bangkok, Thailand
21-22 July 2011**

Leadership in Practice: Financial Inclusion Strategies in Malaysia

Presentation to APEC Financial Inclusion Working Group Meeting
Bangkok, Thailand

Development Finance and Enterprise Department
Bank Negara Malaysia
21 July 2011



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Key measures to develop an inclusive financial sector in Malaysia

Pillars	Objectives	Key Measures
Pillar 1: Financial Service Providers	Diverse range of financial service providers	<ol style="list-style-type: none"> 1. National Sustainable Microfinance Framework 2. Transformation of Credit Guarantee Corporation (CGC) 3. Strengthened role of Development Financial Institutions (DFIs)
Pillar 2: Distribution Channels	Wide range of distribution channels	<ol style="list-style-type: none"> 4. Guideline on shared services 5. Banking services in every district and sub-district
Pillar 3: Banking Products and Services	Availability of quality essential and affordable banking products and services	<ol style="list-style-type: none"> 6. Basic banking services and products
Pillar 4: Financial Literacy, Advisory and Awareness	Literate consumers able to make good financial decisions	<ol style="list-style-type: none"> 7. Guidelines for Consumer Education and Protection 8. BNMLINK, TELELINK, SME Advisory unit 9. Credit Counselling and Management Agency (AKPK) 10. Small Debt Resolution Scheme (SDRS) 11. Financing Help Desks at Associations/Chambers via 'Train the Trainers'
Pillar 5: Supporting Financial Infrastructure	Financial infrastructure that enables effective financial inclusion	<ol style="list-style-type: none"> 12. National SME Development Council (NSDC) 13. Central Bank Act 2009: financial inclusion as primary role 14. CCRIS and Credit Bureau Malaysia

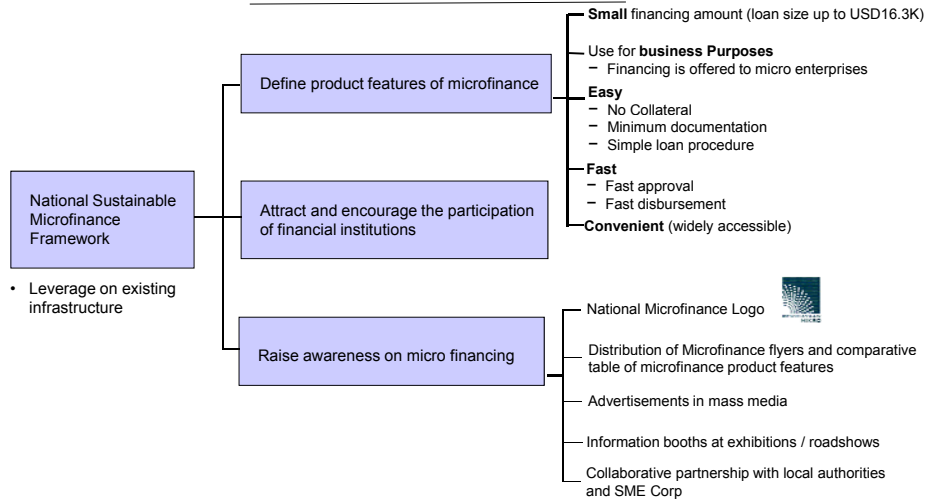


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2005 Census of Establishment and Enterprise revealed that only 13% of micro enterprises indicated formal financial institutions as main source of financing

Strategic initiatives

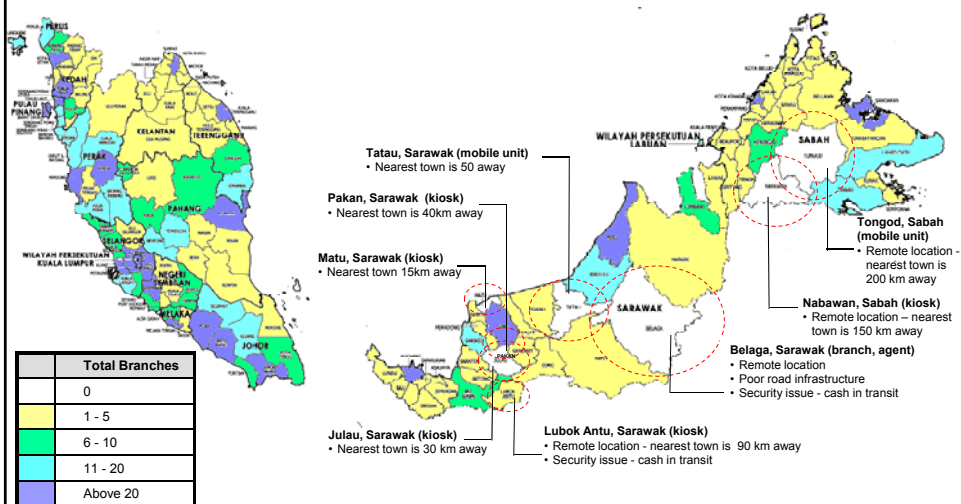


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2

Starting from July 2011, 8 unserved districts will have an access point providing basic banking services

8 underserved districts (2 in Sabah & 6 in Sarawak)



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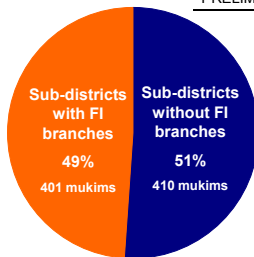
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Currently, the central bank is identifying the availability of access points in 811 sub districts with at least 2,000 population

Percentage of sub-districts with at least a population of 2,000, without FI branches
% of sub-district

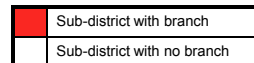
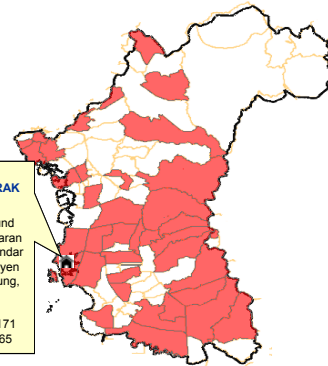
Total sub-districts with ≥2000 population: 811

PRELIMINARY



Note: Total no. of sub-districts: 955
Source: Survey on Financial Institutions, 2011

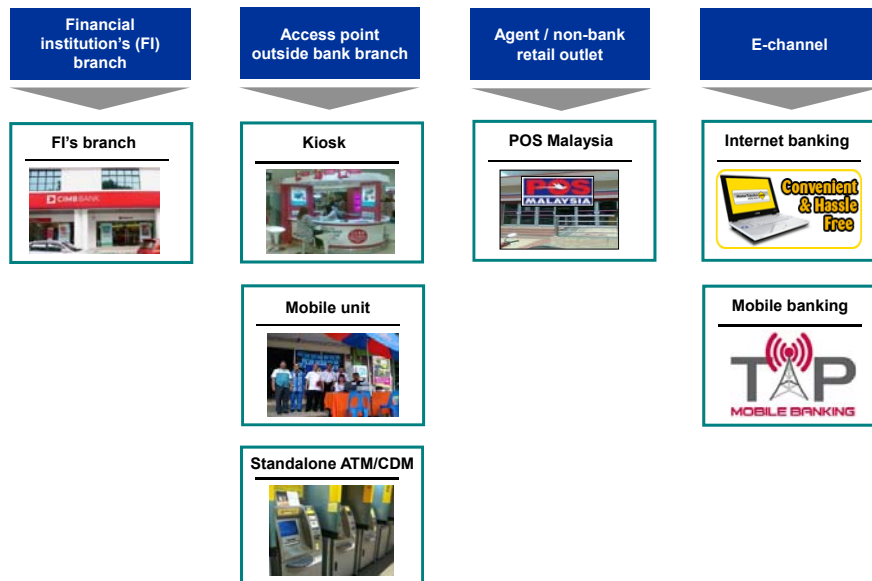
Example of mapping for sub-district in Perak



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5

Examples of channels currently being deployed in Malaysia



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SME Associations are provided skills and knowledge to train members on access to financing

1 Technical Training by Subject Matter Experts (1 day)

ABM CGC BNM SME Corp

2 Soft skill training and walkthrough of training manual by training consultant (1 day) – 2 weeks after Technical Training



'Train-the-Trainers' in 6 regions

Trainers of 19 business chambers / associations

with Trainer's Manual

'Train'

Financing Help Desk Staff and SME Association members

with Participant's Manual

Provide advisory

SME members

- 6 Technical Training Sessions and 6 Soft Skill Training Sessions have been conducted in 6 regions nationwide

- 122 potential trainers have been trained from 19 business chambers/ SME associations in the country



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