



**BANK NEGARA MALAYSIA**  
CENTRAL BANK OF MALAYSIA

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For Immediate Release

### **Bank Negara Malaysia Publishes Annual Report 2019, Economic and Monetary Review 2019 and Financial Stability Review for Second Half 2019**

Bank Negara Malaysia (the Bank) today released three reports, the Annual Report 2019, Economic and Monetary Review 2019 and the Financial Stability Review for Second Half 2019.

Unlike before, the three reports aim at facilitating greater understanding among the key stakeholders by varying the degree of technicality of these publications. The Annual Report 2019 details the workings of the Bank in 2019, and is written for a general audience to inform readers about the mandate and the various functions of the Bank. The Economic and Monetary Review is a more technical publication and focuses on the Bank's economic assessments and forecasts. The biannual Financial Stability Review is also a technical publication detailing our analysis of risk assessment and outlook with regards to financial stability.

#### **Annual Report 2019**

The Annual Report provides an overview of the key activities undertaken by the Bank in delivering its core mandates of promoting monetary and financial stability, and ensuring sustainable economic growth. It highlights the key monetary and financial stability policy initiatives, as well as the wide range of developmental activities undertaken to shape the capacity and capability of the Malaysian financial sector to meet the evolving needs of the economy. The report also provides an account of the Bank's operations and resources that enable it to function effectively and efficiently.

#### **Economic and Monetary Review 2019**

The inaugural Economic and Monetary Review 2019 is a technical publication to communicate the Bank's economic assessments and research. This report focuses on economic and monetary developments of the Malaysian economy in 2019 and the outlook for 2020.

2020 is an exceptionally challenging year for the global economy. Confronted with an unprecedented health crisis, global growth is expected to contract. As an open economy, Malaysia will not be spared. Malaysia's GDP growth is projected to be between -2.0% and +0.5% in 2020, affected by weak global demand, supply chain disruptions and COVID-19 containment measures both abroad and domestic. While the Movement Control Order and measures to promote social distancing will dampen economic activity temporarily, they are necessary to contain the spread of the virus. The Government's stimulus package will help to cushion the economic fallout. Both *Pakej Rangsangan Ekonomi 2020* and *Pakej Rangsangan Ekonomi Prihatin Rakyat* as well as the Bank's financial measures will provide sizable support to households and businesses. These measures are expected to add 2.8 percentage points to 2020 GDP growth. Also supporting growth is the ongoing large-scale infrastructure projects, which are expected to provide an additional 1 percentage point lift to growth in 2020.

There remains significant uncertainties surrounding the growth outlook, with both upside and downside risks to the outlook. Downside risks stems from more prolonged and wider spread of COVID-19 globally and domestically, recurring commodities supply disruptions and tighter financial conditions following heightened volatility in financial markets. However, there are also upside risks, emanating from potentially larger-than-expected impact from the pro-growth measures, faster normalisation in activity amid pent-up demand and better-than-expected global economy, arising from the various stimulus measures. The Bank expects the Malaysian economy to rebound in 2021, in line with the projected global recovery. The health crisis is rapidly evolving and the Bank will continue to monitor and assess the development of the pandemic and its economic impact.

Beyond the 2020 economic outlook, the Economic Monetary Review also includes a Box Article on Securing Future Growth Through Quality Investments. The Article outlines practical strategies to attract quality investments that generate high-skilled employment and high value-added activities. It is imperative that policymakers continue to undertake efforts to lift potential growth of the Malaysian economy.

The factors that have enabled Malaysia to weather past episodes of shocks are expected to continue to serve the Malaysian economy well. Malaysia will continue to benefit from having diversified sources of growth, economic flexibility, adequate buffers, a strong financial system and robust policy frameworks that have been built over the years.

## **Financial Stability Review Second Half 2019**

The Financial Stability Review Second Half 2019 is a biannual technical publication detailing the Bank's assessment of financial stability. Domestic financial stability continues to be preserved. While the economic impact of COVID-19 has increased risks to financial stability, the financial system is also more resilient to these risks. In particular, the strong buffers of the banking system that have been built over the years and sound risk management practices are expected to mitigate the impact of any deterioration in credit quality and support continued lending by banks to the economy. Temporary relief measures implemented to support households and businesses are also expected to limit credit losses and help preserve the debt servicing capacity of households and businesses as the economy recovers.

## **Bank Negara Malaysia's Audited Financial Statements for 2019**

As audited and certified by the Auditor General, the financial position of Bank Negara Malaysia remained strong in 2019. Bank Negara Malaysia's total assets amounted to RM451.6 billion, with a net profit of RM8.9 billion for the financial year ending 31 December 2019. Bank Negara Malaysia declared a dividend of RM3.5 billion to the Government for the year 2019.

**Bank Negara Malaysia**  
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