

## CALENDAR OF EVENTS April – Jun 2011

### 20 April 2011

The Bank announced the reappointment of Dr. Zeti Akhtar Aziz as the Governor of Bank Negara Malaysia for another term of 5 years effective 1 May 2011. Dr Zeti has held the position of the Governor of the Bank since May 2000.

### 25 April 2011

The Bank and the People's Bank of China signed an agreement on the establishment of a representative office by the Bank in Beijing. The establishment of this representative office will further strengthen the bilateral cooperation between the two central banks. The office will also serve as an important liaison point with China's regulators and market players as well as to facilitate the conduct of market research on China's economic and financial developments. The Beijing representative office is the third overseas representative office established by the Bank, in addition to its offices in London and New York.

### 3 May 2011

The Bank announced measures to ensure that all motorists will obtain access to motor cover. Members of the public can obtain motor cover from all general insurers and their branches as well as at Pos Malaysia outlets nationwide. All general insurers are committed to provide motor cover to all motorists including those "displaced vehicles" comprising private vehicles exceeding 10 years old and motorcycles currently underwritten by the Malaysian Motor Insurance Pool. In ensuring the rights of consumers are protected, the Bank also prohibits insurers from compelling their customers to purchase non-motor products as a condition for the sale of a motor cover.

### 5 May 2011

At its third meeting for 2011, the Bank's Monetary Policy Committee (MPC) decided to raise the Overnight Policy Rate (OPR) by 25 basis points to 3.00%. With the assessment for the Malaysian economy to remain firmly on a steady growth path, the MPC decided to adjust the degree of monetary accommodation. At the new level, the monetary policy continued to remain supportive of economic growth. The Bank also announced the increase in the Statutory Reserve Requirement (SRR) Ratio from 2.00% to 3.00% effective 16 May 2011, as a pre-emptive measure to manage the significant build-up of liquidity which may result in financial imbalances and create risks to financial stability.

### 12 May 2011

In her speech at the 8th Islamic Financial Services Board (IFSB) Summit in Luxembourg entitled "Financial Stability: Regional and Global Cooperation", Governor Dr. Zeti highlighted that as Islamic finance becomes more internationalised, there is a need to develop a cross-border financial stability framework to further strengthen the resilience of Islamic financial system and to address cross-border challenges. She added that collaboration among supervisory authorities of Islamic financial institutions is vital to ensure the success of this initiative. In addition, Governor also proposed the establishment of an integrated framework of macro surveillance for Islamic finance activities, including efforts such as the IFSB's global database of Islamic finance statistics, which would help to identify and mitigate the emerging risks in the Islamic financial system across jurisdictions.

### 18 May 2011

The Bank announced that Malaysia has sustained its economic growth momentum in the first quarter of 2011 by registering a growth of 4.6%, led by expansion in domestic demand and higher private sector spending. On the supply side, all major economic sectors recorded positive growth led by strong growth in the manufacturing and services sectors, with the exception of the primary commodity sectors namely agriculture and mining. The headline inflation rate increased by 2.8% in the first quarter attributed mainly to higher global commodity and food prices.

On the same day, the Bank also announced the liberalisation of foreign exchange administration rules on direct investments abroad, inter-company loans and foreign currency trade financing with effect from 1 June 2011. Resident companies that meet the prudential requirements are now permitted to undertake any amount of direct investment abroad to support the expansion of their operations. They are also permitted to borrow any amount in ringgit or foreign currency from their resident and non-resident non-bank related companies to further enhance the efficient management of financial resources within a corporate group and to provide greater flexibility on sources of competitive financing. In addition, the RM5 million limit previously imposed on foreign currency trade financing obtained by residents from non-residents will no longer be applicable. In this regard, residents may obtain foreign currency borrowing, including foreign currency trade financing, up to the prevailing aggregate limit of RM100 million for companies on a corporate group basis and RM10 million for individuals. The liberalisation is part of the efforts to continuously increase business efficiency and enhance competitiveness of the economy.

### 23 May 2011

The Bank announced that a new series of Malaysian banknotes and coins will be issued for circulation in early 2012, an exercise that is undertaken periodically every twelve years. The theme of the design of the new currency series will include features that are distinctively Malaysia. It will also be enhanced with new security elements in line with the latest advancements in technology for currency notes. As part of the efforts to increase public awareness on the new currency series, the Bank will issue the commemorative coins set for the third series and unveil the new fourth series banknotes design in the third quarter of 2011.

### 15 June 2011

The Bank awarded a new international Islamic bank licence to Elaf Bank B.S.C (c) (Elaf Bank) of Bahrain to conduct a wide array of Islamic banking business in international currencies other than Malaysian ringgit. Elaf Bank's presence will further strengthen the economic and financial linkages between Malaysia and Bahrain and contribute further to the development of the Islamic financial system in Malaysia.

### 19 June 2011

At the Langkawi International Dialogue 2011 in Putrajaya, Governor Dr. Zeti delivered a speech entitled "Innovative Financing for Transformation". She highlighted that financial system has to deliver essential financial services that would cater to the financial needs of all sectors of the economy – from households, small and medium enterprises including micro enterprises and to the corporate sector. She also shared Malaysia's experience in developing a financial sector that would deliver innovative financing for economic transformation.

## 20 June 2011

The Bank announced the introduction of a new Islamic monetary instrument, the Bank Negara Monetary Notes-Istithmar (BNMN-Istithmar). The issuance of BNMN-Istithmar is based on the Istithmar (investment) concept which refers to portfolio investments into a combined structure of sale and lease-back of assets (Ijarah) and commodity mark-up sale transaction (Murabahah). The main objective of issuing BNMN-Istithmar is to increase efficiency and flexibility of liquidity management in the Islamic money market by expanding the Shariah concept used in the Bank's Islamic monetary instruments. BNMN-Istithmar will contribute towards expanding investment instruments and the investor base as well as promote greater liquidity in the Islamic money market.