

## CALENDAR OF EVENTS July – September 2011

### 7 July 2011

At its fourth meeting for 2011, the Bank's Monetary Policy Committee (MPC) decided to maintain the Overnight Policy Rate (OPR) at 3.00%. The MPC's assessment was that the risks to inflation remains. It added that while the outlook for growth remains positive, there are heightened uncertainties arising from global developments that have created higher downside risks to growth. Going forward, the MPC will assess carefully the evolving economic conditions and to the extent that the growth momentum is sustained, further normalisation of monetary conditions will be considered to safeguard price stability. The Bank also announced the increase in the Statutory Reserve Requirement (SRR) Ratio from 3.00% to 4.00% effective 16 July 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. At its subsequent meeting on 8 September, the MPC kept the OPR at the same level, citing that it will continue to assess carefully the evolving developments surrounding inflation and the economy, and adjust monetary conditions accordingly to ensure sustainable growth and price stability.

### 18 – 19 July 2011

The Bank and Bank Indonesia collaborated to host the Joint High Level Conference on Islamic Finance in Jakarta, Indonesia. With the theme "Enhancing Financial Linkages towards Economic Prosperity", the conference was attended by over 400 participants comprising Islamic finance professionals from banking institutions, fund and wealth management, professional service providers as well as higher education institutions from both countries. In her opening remarks, Governor Dr. Zeti expressed her aspiration for the financial intermediaries in the Nusantara region, particularly Malaysia and Indonesia to seize the opportunity of the internationalisation of Islamic finance to further enhance the economic and financial linkages between the two neighbouring countries. The conference also witnessed two Memorandum of Understanding signed, namely, between Association of Islamic Banking Institutions Malaysia (AIBIM) and Asosiasi Bank Syariah Indonesia (ASBISINDO) on cooperation on liquidity management; and between Maybank Islamic Berhad and Bank Syariah Mandiri on product development, trade finance and liquidity management.

### 20 July 2011

The Bank hosted the Official Monetary and Financial Institutions Forum (OMFIF) Roundtable which provided a valuable opportunity for industry players to gain insights on economic developments and challenges in Europe including issues concerning the European sovereign debt crisis and also of Asia's perspectives on these issues. The Roundtable was jointly chaired by Governor Dr. Zeti and Governor Yves Mersch of the Central Bank of Luxembourg and centred on the theme; "International Challenges and Perspectives as Asia diverts Savings to Domestic Economic Development". Those who participated in the Roundtable were captains of industry, namely, Tan Sri Zarinah Anwar, Chairman of Securities Commission; Tan Sri Azman Mokhtar, Managing Director of Khazanah Nasional; Mr. Steven Choy, President and CEO of Cagamas Berhad; and CEOs of Malaysian financial institutions.

## 25 July 2011

The Bank issued commemorative coins set to mark the new Third Series of the Malaysian coins. The new coins series, issued in the denominations of 5 sen, 10 sen, 20 sen and 50 sen, draws inspiration from distinctive features that define the nation's rich culture and heritage. The design motifs were crafted in the form of nature, flora and fauna and traditional handicraft which are found in Malaysia. The coins are smaller and lighter, making them more user-friendly for the public. The yellow and silver coloured coins and the edge designs enable the public and also the visually impaired to identify and distinguish the different denominations. The new series of coins embodies the latest advancements in minting technology which incorporates improved counterfeit resistance security features, as well as enhanced durability against wear and corrosion.

## 1 August 2011

The Bank announced new measures on motor insurance aimed at ensuring consumers are accordingly advised when making a purchase for comprehensive motor insurance cover for their private car. With immediate effect, insurers (and takaful operators) and their agents are required to advise consumers before purchasing and renewing their motor insurance policy on, (i) the present market value of their private car, (ii) the importance of insuring the motor vehicle at the appropriate market value and (iii) the effect of over-insurance and under-insurance when a claim is made. These will contribute towards a more objective determination of the market value of motor vehicles for purposes of purchasing motor insurance and claims settlement. It also complements existing measures on motor insurance that promote fair treatment of consumers.

## 17 August 2011

The Bank announced that the Malaysian economy registered a growth of 4.0% in the second quarter of 2011, led by expansion in private domestic demand. On the supply side, most economic sectors recorded positive growth, with the exception of the mining sector, led by strong growth particularly in the services and agriculture sectors. The headline inflation rate increased to 3.3% in the second quarter driven by supply factors. In a separate announcement, the Bank accorded greater flexibility to new and existing locally-incorporated foreign banks from complying with the distribution ratio requirement for the establishment of their branches. With this flexibility, the banks can better serve their targeted customer segments and niche areas. Under the existing guidelines, locally-incorporated foreign banks can open up to eight additional branches, subject to a specified distribution ratio of 1(market centre): 2(semi-urban): 1(non-urban).

## 25 August 2011

Governor Dr. Zeti was named "The World's Best Central Bankers" over the past year, along with five other central bank heads in five countries, by the New York based Global Finance Magazine. She and the other five central bankers were graded "A" in the magazine's annually published feature entitled Central Banker Report Cards 2011 for successes in areas such as inflation control, economic growth goals, currency stability and interest rate management.

## 6 September 2011

Malaysia International Islamic Financial Centre (MIFC) was awarded the "Best Islamic Finance Centre" for the third consecutive year at the Annual Asset Triple A Islamic Finance Awards 2011. After a build-up that took decades, Malaysia has evolved into the most dynamic Islamic finance hub in the Asia Pacific region. An indication of its success is that countries and jurisdictions across the Pacific rim, in Europe and the Middle East are looking at the Malaysian examples and initiatives for inspiration to jumpstart their own ambitions for Islamic finance.

## 14 September 2011

The Prime Minister of Malaysia, Datuk Seri Najib Tun Razak, officiated the opening of Sasana Kijang - the Bank's centre of excellence in knowledge and learning in central banking and finance. Sasana Kijang is also home to the Islamic Financial Services Board (IFSB) and the South East Asian Central Banks Research and Training (SEACEN) Centre. Designed to be a nexus for thought leadership and collaboration in central banking, Sasana Kijang hosts a learning centre with state-of-the-art training facilities for assisting structured programmes and high level seminars for local and foreign participants and provides opportunities for the exchange of views and experience towards promoting capacity building in central banking to be better positioned in meeting future challenges. In addition, Sasana Kijang also houses the Bank's Knowledge Management Centre and the Bank's Museum and Art Gallery.

## 28 – 29 September 2011

The Bank held a seminar on Islamic Finance in Istanbul, Turkey, in support of the MIFC initiative. Themed "Malaysia and Turkey: The New Silk Route in Islamic Finance - Strategies for Collaboration, Cooperation and Smart Partnerships", the seminar aimed to strengthen relationship between both countries and signifies the growing internationalisation of Islamic or Participative finance. The aim is manifested by the increased presence of Islamic financial institutions in new jurisdictions, international participation in Islamic financial markets and cross border flows of Islamic finance activities. The seminar also provided a platform for the Malaysian and Turkish financial and business community to share and exchange knowledge and industry views on the development of the Islamic financial market.