

CALENDAR OF EVENTS

October – December 2008

6 October 2008

In her keynote address at a State Street Islamic Finance Congress 2008 in Boston, USA, Governor Dr. Zeti said Islamic finance has become more viable and competitive amidst the global uncertainties. She added that globalisation of Islamic finance has gained significant momentum in recent years and demand for Islamic financial products in the global market exceeds the current availability of the products and services provided by the Islamic finance institutions. Going forward, there is therefore tremendous upside potential for Islamic finance.

14 October 2008

The Bank, in a press statement, stated that Malaysian financial institutions remain resilient despite increased volatility in global financial markets. Financial institutions in the country, equipped with adequate capital and liquidity buffers, have negligible exposure to both sub-prime related securities and to the affected financial institutions of other nations. More than 90% of total assets of the country's banks and insurance companies are in ringgit denominated assets. In addition, all foreign financial institutions in Malaysia are locally incorporated and have a high level of capital that is committed to support their domestic operations. The central bank, having a fully-developed supervisory and surveillance system, will take appropriate action to safeguard the soundness of the financial system should the need arise.

16 October 2008

The Bank and Ministry of Finance Malaysia jointly announced that all ringgit and foreign currency deposits with commercial, Islamic and investment banks and deposit-taking development financial institutions regulated by the Bank are fully guaranteed by the government through Perbadanan Insurans Deposit Malaysia (PIDM) with immediate effect until December 2010. The guarantee extends to all domestic and locally incorporated foreign banking institutions. Access to the Bank's liquidity facility was also extended to insurance companies and takaful operators, regulated and supervised by the Bank.

24 October 2008

The Bank's Monetary Policy Committee (MPC) decided to leave the Overnight Policy Rate (OPR) unchanged at 3.50%. The Bank noted that since the last MPC meeting in August, the global economic situation has deteriorated considerably and the international financial turmoil has yet to stabilise. The greater focus of policymakers would be towards avoiding sharp global economic downturn. At the subsequent meeting on 24 November, the MPC cut the OPR by 25 basis point to 3.25%. Given the heightened downside risks to growth and diminishing inflationary pressures, the reduction in the OPR was a pre-emptive measure aimed at providing a more accommodative monetary environment. The MPC also reduced the Statutory Reserve Requirement (SRR) from 4% to 3.5% to further reduce the cost of intermediation, with effect from 1 December 2008. The committee also approved the schedule of MPC meetings for 2009.

30 October 2008

As part of greater engagement with its stakeholders, the Bank met with leaders of banking institutions and the Association of Banks Malaysia (ABM) to discuss issues on current economic developments and business conditions. The central bank emphasised the importance for banks to continue to engage in responsible lending behaviour, which may involve rescheduling and restructuring of facilities, as continuous access to financing is vital to sustain the country's economy. The banking industry agreed to heighten