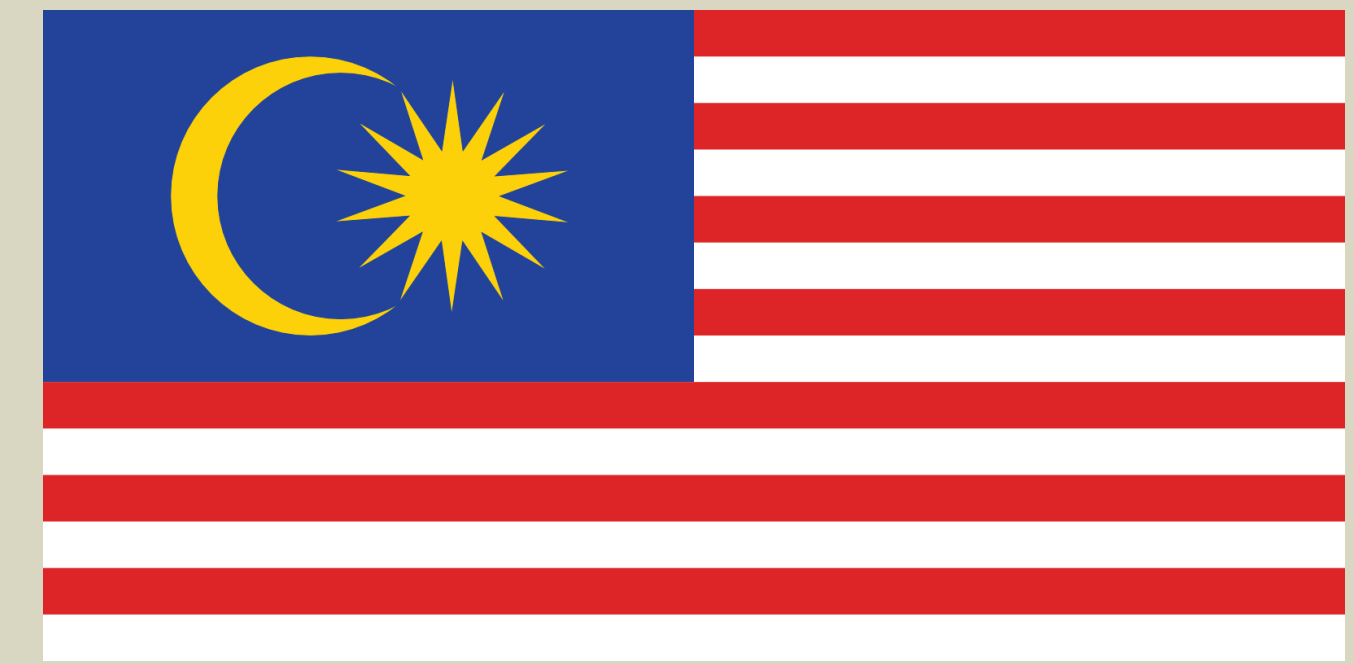


Malaysia's Initiatives towards Increasing Financial Inclusion



Malaysia

Shaping Inclusive Finance Transformations

One of the primary functions of Bank Negara Malaysia is stated in the Central Bank of Malaysia Act 2009 is to promote a sound, progressive and inclusive financial system.

Pursuing the financial inclusion agenda will continue to be a key component of Malaysia's inclusive growth strategy. Financial inclusion provides opportunity to all citizens, including the underserved to participate in the formal financial system and hence, benefit from the economic progress. This will contribute to balanced and sustainable economic growth.



Agent Banking as a cost-effective channel to deliver financial services

Agent Banking (provision of financial services by financial institutions through third-party agents, e.g. retail outlets and post offices) enhances the accessibility to quality and affordable financial services in the underserved areas. This initiative produced promising results as 95% of 837 sub-districts now have at least one financial access point (46% in 2011). Agent banking is successful because it provides cost effective channel for the financial institutions to serve the underserved while the agents benefitted from the increased customer flow to business premises.

Challenges and the Way Forward on Financial Inclusion

Financial inclusion is to provide access to financial services, ensuring the usage and quality of financial services to improve the livelihoods of the underserved.

In an increasingly market driven and more competitive economy, greater efforts are required to achieve an inclusive financial system that best serves all members of society, including the underserved. The successful achievement of the financial inclusion agenda will be characterized by:

- increased convenient access to financial services
- expanded range of products and services
- enhanced quality of financial services that satisfies the needs of all citizens



ASEAN FINANCIAL INCLUSION CONFERENCE

October 29-30, 2014

Yangon, Myanmar

