



BANK NEGARA MALAYSIA
CENTRAL BANK OF MALAYSIA

Evaluation of Financial Education Programme



**G8 International Conference on
Financial Literacy**

29-30 November 2006

Background – Malaysia (Selected Info)



Commercial
Banks: **23**

Islamic Banks: **10**

Merchant Banks: **9**

Investment Bank: **1**

Insurance
Companies: **42**

Takaful
Operators: **7**

Others: Foreign rep.
offices, discount
houses, money
brokers, DFIs, other
non-bank financial
institutions.

Population:
26.8 million



Age Structure:

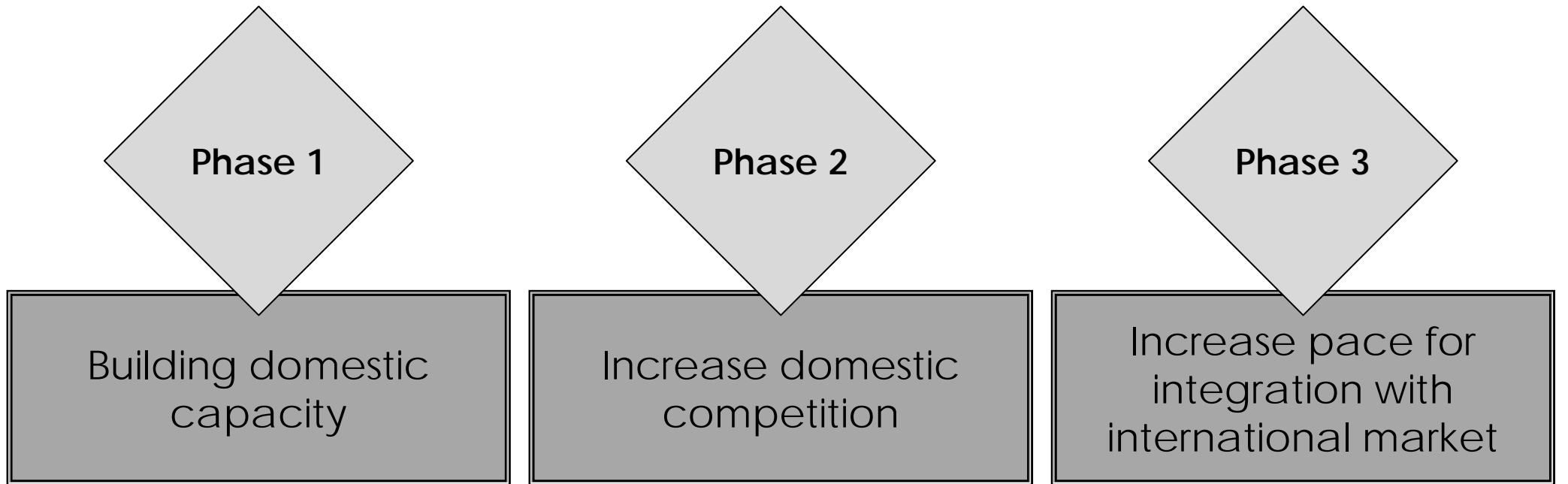
- 0 -14 : **32.4%**
- 15-64 : **63.1%**
- 65 and above: **4.3%**
- Mean age: **23.2**

**63% of
Malaysians** reside
in urban area

98% of Malaysians
have savings
account

Insurance
penetration rate at
38.7%

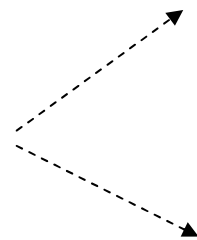
Roadmap for Financial Sector Masterplan



(deregulated and liberalised market)



Effective consumer protection & fair market practices



Preconditions to greater deregulation & liberalisation

Establishment of Consumer and Market Conduct Department (CMCD) – consolidates promotion of CEP in conventional banking, Islamic banking, insurance & takaful businesses

Future Landscape



2006

2010

Market consolidation

Market liberalisation

Rule based regulation

Principle based regulation

Supervised market



Competitive market
Diversified financial sector

Some self regulation



Effective self regulation

Dispute resolution mechanisms
e.g. FMB



Ombudsman Law

Consumer Education Programme



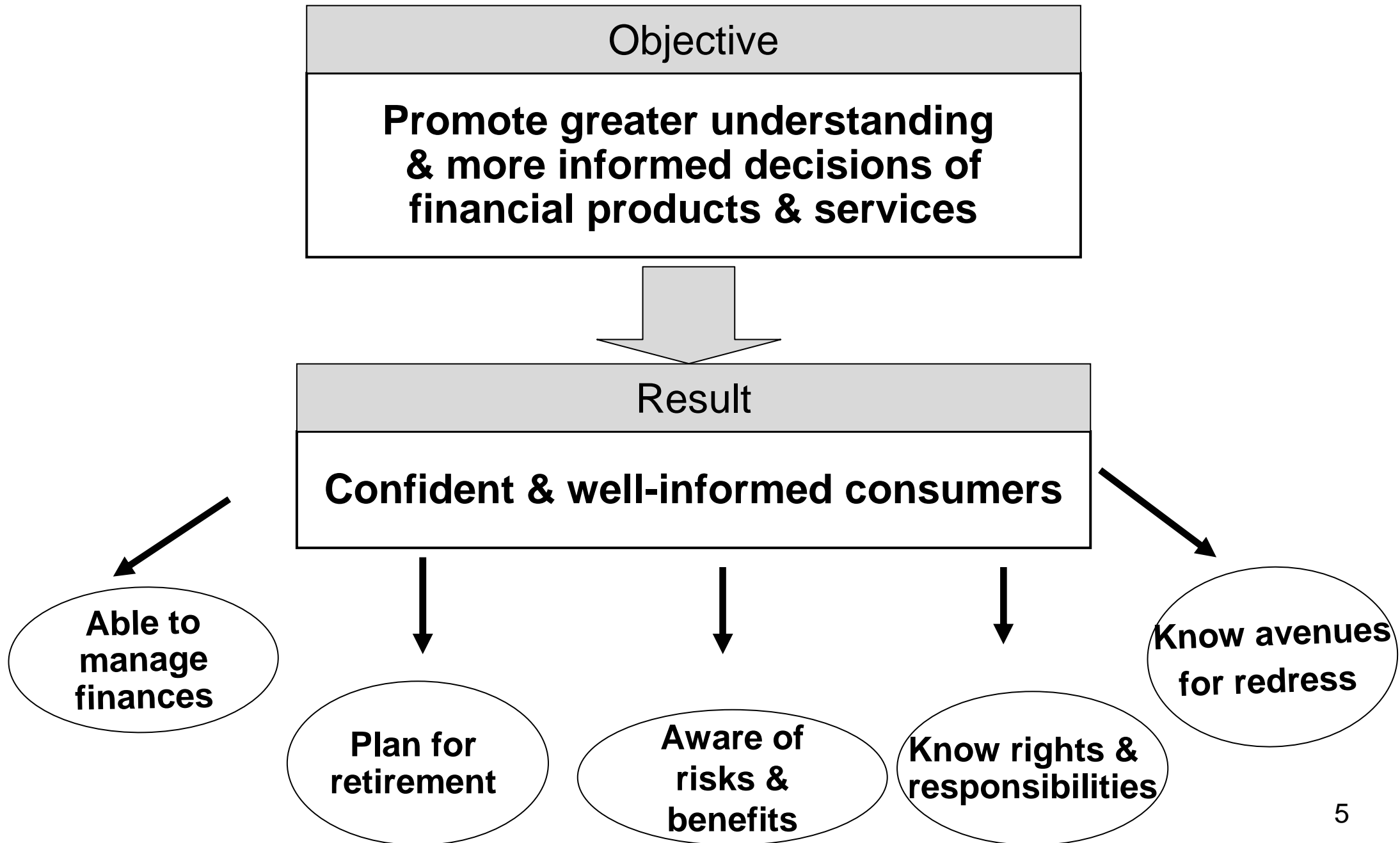
Consumer activism

Disclosure and transparency



Effective market discipline

Consumer Education Programme Objective & Desired Outcome



The Malaysian Approach



Develop & disseminate information on financial products through booklets, websites, print media, 3rd party publications

Provision of Information

Target: General Public

Launched two consumer education programmes in 2003:

- BankingInfo
- InsuranceInfo

Approach

Promote savings through school adoption programme in collaboration with Ministry of Education

School Programme

Target: Primary & secondary school children

Education

Target: Rural folks, women, single mothers, university students

Conduct briefing & workshop sessions

Supplemented by provision of advice

The Malaysian Approach



	Provision of Information	Education	Savings Campaign
Target audience	<ul style="list-style-type: none"> • General public 	<ul style="list-style-type: none"> • Rural communities • Women's groups • Single mothers • College /university students 	Primary & secondary school children (from ages 7-17)
Delivery channel	<ul style="list-style-type: none"> • Booklets/brochures • Websites • Print media • Radio • CD Rom 	<ul style="list-style-type: none"> • Outreach programmes nationwide (collaborate with Financial Mediation Bureau, Credit Counselling & Debt Management Agency, Ministry of Domestic & Consumer Affairs, & Ministry of Women, Family & Community Development) • Briefing at exhibitions • Briefing at Bank Negara Malaysia 	<ul style="list-style-type: none"> • School adoption programme by banking institutions. More than 7,000 schools involved • Develop financial planning tools <ul style="list-style-type: none"> - "Pocket Money Book" for primary & secondary school children - "Household Planning & Account Book" for family • Encourage formation of student financial clubs • Develop practical guide for teachers on activities for student financial clubs

Snapshots of BankingInfo & InsuranceInfo Websites



www.bankinginfo.com.my

www.insuranceinfo.com.my

Snapshot of duitsaku (pocket money) website



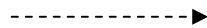
The screenshot shows the homepage of duitsaku.com. At the top left is the logo "duit s aku . com" with the tagline "be smart and money wise". Navigation links for HOME, REGISTER, LOGIN, and FAQ are at the top right. A "LOGIN" form is prominently displayed, containing fields for Username (filled with "sibulat") and Password, a "Forgot your password?" link, and a "GO" button. A "JOIN NOW!" badge is next to the login form. Below the login form is an "Announcement" section. The main content area features two cartoon characters: "Si Mut" (a bee) and "Sang Lebah" (a bee). Si Mut is next to a sign for "Kidz" (ages 7-12) and Sang Lebah is next to a sign for "TEENZ" (ages 13-17). Both signs have "GO" buttons. At the bottom right, there is a "JOIN US FOR DOWNLOAD ZONE" sign with a leaf icon. The footer contains the text "Uris Setia Perancang Kewajaikan" and links for "Contact Us", "Link", "Terms & Conditions", and "Privacy Statement". Copyright information for duitsaku.com 2003 is also present.

www.duitsaku.com



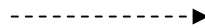
- **Subsidiary of Bank Negara Malaysia with branches in 5 major cities**
- **Services are free**
- **Three main functions of the agency are:**

Counselling & advice
on financial
management



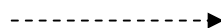
Provides with counselling & advice on financial budgeting, money management & credit related issues

Debt Management
Programme



Work with borrowers to develop personalised debt repayment plans in consultation with their financial service providers

Financial Education

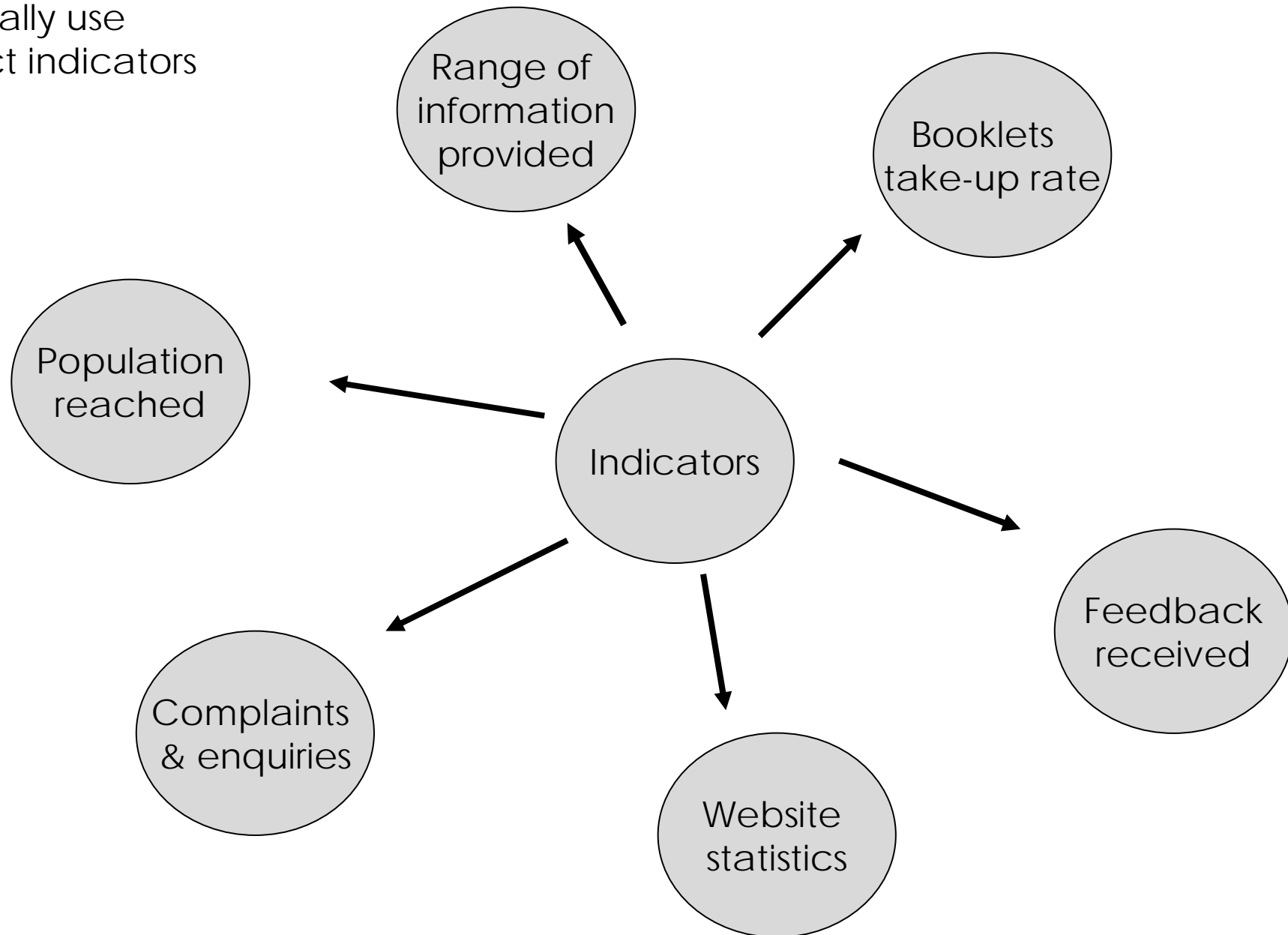


Education programmes, in particular on proper use of credit & basic money management skills as well as tips on how to use credit responsibly

Consumer Education Programme: Evaluation



Generally use
indirect indicators



Consumer Education Programme: Evaluation



Range of Information provided	Population reached	Website statistics
<ul style="list-style-type: none"> • Information on financial products & services in different languages • Shopping guide • Guide on money & debt management • Comparative tables • Guide on redress mechanism 	<ul style="list-style-type: none"> • No. of people reached at talk, seminars, exhibitions, & at the Bank's Information & Advisory Centre • No. of people reached via publicity & promotion • No. of students in student financial clubs • No. of people reached via articles in publications of alliance partners 	<ul style="list-style-type: none"> • Websites hits • No. of registered members of website • No. of websites enquiries
Booklets take-up rate	Complaints & enquiries	Feedback received
<ul style="list-style-type: none"> • Take-up rate of publications • Titles of publications 	<ul style="list-style-type: none"> • No. & nature of complaints • No. of enquiries received 	<ul style="list-style-type: none"> • Feedback received at talks, seminars, exhibitions

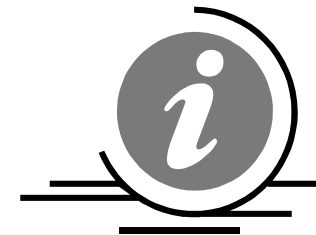
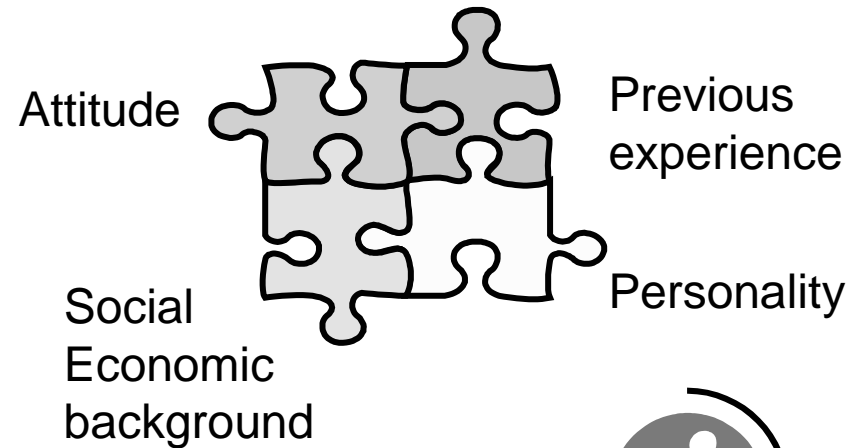


Difficult to define what is an informed & confident consumer



Moving milestone:
Definition of "informed" varies over time in line with changes in sophistication of economy

Various factors affect consumers' financial decision



Consumers' knowledge may not be due to CEP initiatives



Moving forward



- **Increase traffic** to websites
 - Based on feedback, enhance Websites with **more information**
 - **Enhance monitoring of web users** for information on users' behaviour, e.g, time spent, articles read, point of interface
- **Expand list** of alliance partners for wider outreach
 - Greater collaboration with government agencies, trade associations, consumer associations and other target groups
- **Train-the-trainers programmes**
 - Train resources from alliances partners to conduct financial education briefings and respond to related queries
 - Develop and provide training guide to facilitate briefing by trainers from alliance partners
- **Conduct focus group** survey for feedback on the financial education programme