Session IV: Financial Literacy Strategies
Malaysian Experience

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Challenges Facing Consumers

Information asymmetry
- More complex products and services

Low financial literacy
- Level of transparency

Financial scams
- Fees and charges

Consumers responsible for own financial well-being
- Understand T&C of products & services
- Know rights & responsibilities
- Exercise rights when necessary
Importance of Financial Education

- Empower consumers to make informed & confident financial decisions
- Maintain long-term confidence in financial markets
- Mitigate financial risks associated with financial transactions
- Moderate imbalances between consumers & financial service providers
- Provide conducive environment for industry growth & development

Increasingly complex financial products and services
 Requires solid grasp of money matters
 Develop financial capability from young
Develop & disseminate information on financial products through booklets, websites, print media, 3rd party publications.

Provision of Information
Target: General Public

Launched 2 consumer education programmes in 2003:
- bankinginfo
- insuranceinfo

Three-pronged approach

School Programme
Target: Primary and secondary students

Outreach Programme
Target: Rural folks, women, university students, PWD

Promote money management through school adoption programme in collaboration with Education Ministry & financial institutions.

Conduct briefings & workshop sessions

1 Persons with Disabilities
Financial Education - School Adoption Programme

Objective:
To nurture financially savvy Malaysians

1997: > 10,000 schools adopted by financial institutions
All government aided schools
Activities relating to banking & basic financial knowledge
Provide opportunity for students to experience having a bank account
Pocket Money Book

Purpose:
A learning tool to inculcate culture & habit of smart personal money management among students at a young age

Introduced in 1998
7.9 million copies distributed nationwide
A tool to assist students to manage pocket money & control personal finances
Contains articles, exercises & games related to money & finance
Objective:

Educate students to be smart & prudent in personal money management & spending through co-curriculum activities

Established > 2,000 Clubs

Workshops for students & teachers

Money & finance related activities through workshops & games

Lesson plan for teachers distributed to schools
Financial Education Website for Students

Purpose:
An interactive financial education tool to enhance financial literacy among students

Since 2004: > 95,000 registered members
Activities relating money management, e.g. contests, games, quizzes

Hits: 18,000-22,000 p.m.
2009: 5,754 students took part in duitSaku.com website competitions
2009: 127 ‘e-counsellor’ requests
Workshops for Teachers & for Students

Module for Secondary School Students

- Setting financial goals
- Budgeting
- Money management - personal financial decisions
- Savings & investment - use of financial tools, risk & return of investment
- Credit & Insurance
Consumer Education Programme - General Public

Planning - Savings & budgeting

Spending - buying tips & comparative shopping

Features of financial products & services (banking, Islamic banking, insurance & takaful), risks & liabilities involved, salient terms & conditions, rights & responsibilities as a financial consumer

Credit & debt - Borrowing & debt management, rights & responsibilities as borrowers & guarantors

Risk management - Basic insurance & insurance planning

Market awareness - Avenues for redress, illegal schemes, currency related matters, role & functions of financial players & credit bureau
Consumer Education Programme - General Public

**Bankinginfo - 24 booklets published**
Website also provides budget calculator, financial calculators, etc.

**Insuranceinfo - 25 booklets published**
Website also provides private car premium calculator, consumer checklists, etc.
**Objectives:**

Provide relevant information for informed decision making

Facilitate comparison of financial products & services

**Comparative Tables - General Public**

**Comparative tables**

Conventional banking products

Islamic banking products

Micro finance product
Outreach Programme - General Public

- Financial Education Working Committee
  Public sector collaboration
  Avoid duplication of resources

- Annual Financial Awareness Week
  at state level

- National Service Participants
  (17-18 years old)

- Free credit counseling & debt
  management programme

- Collaboration with consumer groups

- Distribute Money Sense Book
Thank you