



YB MINISTER OF FINANCE MALAYSIA

ASLI Banking Summit 2011

**19 May 2011
Kuala Lumpur Convention Centre**

En. Mirzan Mahathir, President of Asian Strategy & Leadership Institute (ASLI)

Dato' Dr Michael Yeoh, CEO/Director of Asian Strategy & Leadership Institute (ASLI)

Your Excellencies and Members of the Diplomatic Corp

Distinguished Speakers and Moderators,
Special Invited Guests, Members of the Media, Ladies & Gentlemen

1. I congratulate the Asian Strategy & Leadership Institute – ASLI – for successfully convening today's 15th Malaysian Banking Summit. This year's theme "Banking for Growth – Fuelling Economic Transformation and Expanding Revenue Frontiers" is timely.

2. Indeed, I do not think I am overstating it if I were to say that, with the implementation of the Economic Transformation Programme, the next decade will represent some of the most profound changes in our economy, changes which will have wide and deep impact on our lives and the lives of our future generations.

3. The global economics and financial system is evolving in dramatic terms. For the first time ever since in 800 years, Asia is now the primary contributor to global economic growth.

4. Malaysia is committed to enter the ASEAN Economic Community in 2015. It is less than four years away and we are excited at the prospects that this economic grouping would bring.

5. Within this grouping, there will be greater inter-linkages throughout the region, with access and greater flow of trades and investments. In fact, in the financial services industry, we are already seeing, for example, banking and asset management product value-chains spanning across several national jurisdictions with products developed in one country but distributed elsewhere, with sales and IT support coming from somewhere else.

6. The integration of the ASEAN economies especially that of the ASEAN 5, would mean that Malaysia needs to stick hard and fast to its 2020 high-income status timetable. We must maintain our lead position in the ASEAN economic rankings. We have very little choice but to work hard to ensure our GDP growth

averages at 6.0% annually for the next ten years.

Ladies and gentlemen

7. Last year, the Malaysian financial services industry's contribution to GDP contributed RM65 billion or 6.1% to our GDP, with total loans and advances of the banking system increasing by more than 12%.

8. Together with strong capitalisation, profitability, liquidity and asset quality, our banking system maintains its promising outlook and continues in 2011 to provide more than half of gross financing raised by the private sector.

9. Cognizant of the strengths and dynamism of our financial services industry, the Government is confident that the financial services industry will be one of the leading growth areas to propel our country towards a high income status economy.

10. Looking forward to the year 2020, the Malaysian financial services industry is expected to contribute 10.0% of our GNI and offer 562,000 positions of employment, twice the total in 2010.

11. My Ministry and its regulating agencies, Bank Negara Malaysia and the Securities Commission as well as Bursa Malaysia, will leave no stone unturned to facilitate the Malaysian banking industry realise this high aspiration.

